

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT  
Second Quarter Meeting  
April 27/28, 2022

The Joint Committee on Public Employee Retirement (JCPER) met on Wednesday, April 27, 2022 at 8:30am in the Joint Committee Room (Room 117) in the State Capitol. Chair Pike called the meeting to order.

The first item on the agenda was roll call. JCPER members in attendance were: Representatives Richard Brown (27), Hovis, Pike, and Senators Bernskoetter, Koenig, and Moon. The following members were absent: Representatives Bosley, Paula Brown (70), Reedy, Senators Rizzo, Williams and Beck. A quorum was not established, so the committee proceeded as a subcommittee.

Following roll call, the Chair turned the meeting over to Dean Dohrman, Executive Director, to present the JCPER's 2022 annual report for plan year 2020. Four bills were identified as having moved far enough along in the process to have a chance of being Truly Agreed and Finally Passed: SB 655, SB 758, HB 1473, and HB 2304, although substance passage may occur if these bills are rewritten into amendments and adopted. There were no questions.

The investment overview report revealed first quarter returns down compared to the previous quarter; however, the average return dipped early in 2022 but recovered some returns later in the quarter. The second quarter has taken a downward turn in the early weeks. The Executive Director discussed that inflation, pending upward interest rates, supply disruption, and war (Russia-Ukraine) have added negative pressure to investment opportunities. There were no questions.

The JCPER moved to an overview of ESG investing. The Executive Director pointed out the impact of ESG, its composition, and the scattered methods of measuring ESG. The Executive Director also noted that the Securities Exchange Commission has proposed a method of evaluation that emphasizes the environmental aspect of ESG. Short-term impacts on investment prices has been detected, the Executive Director noted, but the movement is not old enough to measure long-term impact. Representative Hovis asked if multiple organizations are driving the initiative. The Executive Director responded that the millennial demographic has the most push, but other groups are also advocating for the investing approach. The Executive Director suggested that the committee might inquire of the analysts within the state's larger plans what they track as the short and long-term effects of ESG.

Several updates from the news were presented. The Robertson Fire District reported to Representative Paula Brown that a Tax Increment Finance district had closed and taxes that were dedicated to the TIF district are discontinued. A media report pointed to a shortfall in the closed University of Missouri Retirement, Death, and Disability

Plan. The article reported that several options for solvency are being considered. Finally in other news from around the state, pension supporting levies were passed for Affton and North County Fire Districts.

Additionally, the committee held a discussion concerning a new funding mechanism for the Sheriffs' Retirement System. The Executive Director invited Jeff Padgett, Executive Director of Sheriffs' Retirement System and Ken Oberkrom, Sheriff of Henry County, to testify for informational purposes. Mr. Padgett provided a statistical update on the plan and the current status of their lawsuit that is in settlement talks. Sheriff Oberkrom informed the committee that the active members are in agreement with having an employee contribution added to the plan when a new plan design change is finalized. However, a primary mechanism of funding will be needed.

The committee moved to the Procurement Action Plan and comments from the Chair. Chair Pike thanked all attendees for their interest and concern with committee responsibilities.

With no quorum present, the committee adjourned until Thursday, April 28, 2022 at 9:40 AM in Room 117. The committee convened on Thursday, April 28, 2022, and approved travel expenses for NCPERS (8-0) and MAPERS (8-0) in late May and mid-July.

Meeting adjourned.



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Dean A. Dohrman  
Executive Director

**JOINT COMMITTEE**  
**on**  
**PUBLIC EMPLOYEE RETIREMENT**



**2nd QUARTER MEETING**

**April 27, 2022**

**8:30am— Joint Committee Room (Room 117), State Capitol**



JCPER

2<sup>nd</sup>  
Quarter

Meeting

April 27,

2022

**JOINT COMMITTEE on  
PUBLIC EMPLOYEE RETIREMENT**

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**2nd QUARTER MEETING**

**April 27, 2022**

**8:30am— Joint Committee Room (Room 117), State Capitol**

**AGENDA**

**Roll Call**

**Legislative Update**

**Investment Overview**

**ESG Overview**

**Retirement System Updates**

**(O’Fallon FD and Lincoln Co. FPD Elections, Robertson FPD,  
University of Missouri Closed Plan)**

**Sheriff’s retirement possible solutions—Discussion**

**Procurement Action Plans, Section 104.621, 105.702,  
169.573, RSMo**

**Comments of the Chair**

**\* \* \* ACTION ITEM \* \* \***

**NCPERS and MAPERS Conference expenses**



## **LEGISLATIVE BILL TRACKING SHEETS**





2022 RETIREMENT LEGISLATION - Senate

SENATE BILLS				SENATE ACTION						HOUSE ACTION				OTHER ACTION	
Bill Number	Impact Level	System Affected	Description	Sponsor	Committee Assigned	Date/Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Gov Action
<a href="#">SB 634</a>	1	LAGERS	Allows third class counties and Cape Girardeau the option to elect telecommunicators, jailors and emergency medical personnel as public safety members.	Riddle	Health and Pensions	Hearing Canceled 1/26/2022									
<a href="#">SB 655</a>	1	LAGERS	Allows third class counties and Cape Girardeau the option to elect telecommunicators, jailors and emergency medical personnel as public safety members.	Crawford	Health and Pensions	Hearing Conducted 2/16/2022	Voted Do Pass 2/23/2022	3/2022 Perfected	3/7/2022 Placed on Formal Calendar for Third Reading 3/10/2022 Third Read and Passed and reported to House	Pensions	Hearing Completed 4/13/2022 Executive Session Completed 4/20/2022 Voted Do Pass				
<a href="#">SB 712</a>	2	PSRS & PEERS	Creates a pop-up provision for members who elected a reduced retirement allowance with a same-sex domestic partner as the nominated beneficiary on or before September 1, 2015.	Razer	Health and Pensions	Hearing Conducted 4/6/2022 Executive Session Completed 4/13/2022 Voted Do Pass									
<a href="#">SB 758</a>	3	All Governmental Plans	<b>34.800:</b> Public bodies are restricted from entering into written contracts unless the contract certifies the employer will not enforce any mandate that requires employees to take or receive any medical treatment.	Hough	Governmental Accountability and Fiscal Oversight	2/10/2022 Hearing Complete 2/24/2022 Executive Session Completed 2/24/2022 SCS Voted Do Pass	3/7/2022 Reported from Governmental Accountability and Fiscal Oversight with SCS	4/4/2022 Perfected	4/7/2022 Third Read and Passed	Economic Development	Hearing Conducted 4/14/2022 Executive Session Scheduled 4/26/2022 HHR 6 12:00 pm				
<a href="#">SB 767</a>	2	PSRS	Relating to elementary and secondary education. Makes technical changes to a provision of law relating to survivor benefits of the Public School Retirement System.	O'Laughlin	Health and Pensions										
<a href="#">SB 773</a>	2		Excludes certain retirement accounts from the determination of eligibility under the Ticket to Work Health Assurance Program.	Williams	Seniors, Families, Veterans & Military Affairs	Hearing Conducted 2/16/2022 Voted Do Pass									

<a href="#">SB 836</a>	3	All Public Defined Benefit Plans	Modifies eligibility of retirement benefits resulting from membership in multiple defined benefit plans established by a state or local retirement system.	O'Laughlin	Health and Pensions											
<a href="#">SB 859</a>	2	Police Protection Districts	Authorizes the establishment of police protection districts. A PPD's board of directors may provide for pension, and retirement and other employee-type fringe-benefits. If a board of directors administers its own retirement or benefits-related plan, it must do so by a separate five-member pension board of trustees.	Mosley	Transportation, Infrastructure and Public Safety											
<a href="#">SB 871</a>	2	All Plans	Modifies provisions relating to income tax exemptions for certain retirement benefits.	Eigel	Health and Pensions	Hearing Conducted 2/16/2022 Executive Session Completed 2/23/2022 Voted Do Pass										
<a href="#">SB 904</a>	2	All newly created private plans	This bill provides that both a client and a registered professional employer organization (PEO) shall each be deemed an employer for purposes of sponsoring retirement and welfare benefits plans for covered employees.	Hoskins	Insurance and Banking	Hearing Completed 3/22/2022 Voted Do Pass Executive Session Completed 3/29/2022 Voted Do Pass										
<a href="#">SB 926</a>	2	All Public Plans	Modifies provisions relating to ethics. Modifies the pension forfeiture law. Prohibits a participant of a plan who is unfit for elected public office or employed with the state or any local government from being eligible to receive any retirement benefit from the plan.	Mosley	Rules, Joint Rules, Resolutions and Ethics											

<a href="#">SB 999</a>	3	PSRS & PEERS	Modifies provisions relating to teacher employment. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a district has declared a teacher/employee critical shortage. Repeals the prohibition on retired members being employed as a superintendent under critical shortage.	Gannon	Education											
<a href="#">SB 1036</a>	3	Sheriffs	Modifies the compensation of County Sheriffs	Moon	Local Government and Elections											
<a href="#">SB 1048</a>	3	All Public Plans	Prohibits public entities from entering into certain contracts with companies unless the contract includes a written certification that the company is not engaged in certain activities that discriminate against a firearm entity or firearm trade association.	Brattin	Insurance and Banking	Hearing Completed 3/29/2022 Executive Session Completed 4/12/2022 Voted Do Pass										
<a href="#">SB 1053</a>	2	MPERS	Modifies the terms of the elected members of the MoDOT and Highway Patrol Employees' Retirement System board of trustees.	Bernskoetter	Health and Pensions	Hearing Conducted 4/06/2022 Executive Session Completed 4/13/2022 Voted Do Pass										
<a href="#">SB 1054</a>	4	Sheriffs'	Establishes a new funding mechanism for the Sheriffs' Retirement System.	Bernskoetter	Health and Pensions											
<a href="#">SB 1062</a>	3	MOSERS and MPERS	Requires the MOSERS and MPERS boards of trustees to establish a buy-out program for terminated vested members by January 1, 2023. Such members may make a one-time election to receive a lump sum payment equal to sixty percent of the present value of their deferred annuity, or a greater percentage, if determined by the board.	Crawford	Health and Pensions	Hearing Canceled 4/06/2022										
<a href="#">SB 1098</a>	3	All Public School Systems	Modifies the salary for permanent contract teachers for all public school systems. This provision does not apply to St. Louis City.	Burlison	Education											

1 = No impact on retirement benefit  
2 = No substantial proposed change  
3 = May constitute a substantial proposed change  
4 = Does constitute a substantial proposed change



2022 REGULAR SESSION - HOUSE

HOUSE BILLS				HOUSE ACTION						SENATE ACTION				OTHER ACTION	
Bill Number	Impact Level	System Affected	Description	Sponsor	Committee Assigned	Date/Time Hearing Rm	Committee Action	Perfected	Passed 3rd Read	Committee Assigned	Date/Time Hearing Rm	Committee Action	Passed 3rd Read	Notes	Gov Action
<a href="#">HB 1473</a>	1	LAGERS	Allows third class counties and Cape Girardeau the option to elect telecommunicators, jailors and emergency medical personnel as public safety members.	Pike	Pensions	Hearing Conducted 1/12/2022 Executive Session Completed 1/19/2022 Voted Do Pass	1/19/2022 Referred to Rules - Administrative Oversight Executive Session Completed 2/14/2022 Voted Do Pass	3/01/2022 Perfected	3/9/2022 Placed on informal calendar for Third read 3/10/2022 Third Read and Passed and Reported to Senate	Health and Pensions	Hearing Conducted 4/20/2022				
<a href="#">HB 1476</a>	2	St. Louis Police Retirement System	Transfers control of the City of St. Louis Police Department to the Board of Police Commissioners. Modifies the composition of the retirement system's board of trustees.	Schroer											
<a href="#">HB1506</a>	3	CERF	Authorizes a waiver for certain penalties for late payment of property taxes.	Ellebracht											
<a href="#">HB1564</a>	1	Blind Pension Fund	Modifies the mailing requirements for the Blind Pension Fund.	Griffith	Emerging Issues	Hearing Completed 3/29/2022 Executive Session Completed 4/5/2022 Voted Do Pass	4/12/2022 Referred to Rules - Administrative Oversight Executive Session Completed 4/14/2022 Voted Do Pass								
<a href="#">HB1615</a>	1	Public pension plans sponsored by political subdivisions	Provides that members of the General Assembly are ex officio members of all boards, commissions, committees, councils and other legislative or regulatory bodies of all political subdivisions within the boundaries of a member's legislative district.	Lovasco											
<a href="#">HB1670</a>	3	Certain Government Entities	Creates a provision that prohibits certain government entities from doing business with entities that require individuals to undergo COVID-19 vaccinations or provide proof of COVID-19 vaccination.	Seitz	Judiciary	Hearing Conducted 2/16/2022 Action Postponed Hearing Completed 3/23/2022 HCS Voted Do Pass	3/24/2022 Referred to Rules - Administrative Oversight Hearing Competed 3/30/2022 Voted Do Pass	4/11/2022 Placed on Informal Perfection Calendar							
<a href="#">HB1676</a>	3	LAGERS	Changes the job title of "emergency telecommunicators" to "emergency telecommunicator first responders."	Perkins	Public Safety	Hearing Scheduled 3/29/2022 Completed Executive Session Completed 4/5/2022 Voted Do Pass	4/05/2022 Referred to Rules - Legislative Oversight								

<a href="#">HB1691</a>	2	Public pension plans sponsored by certain political subdivisions as defined by the act	Prohibits the state and certain political subdivisions from entering into a contract with an employer or company that engages in discrimination against unvaccinated, as described in the act.	Boggs	Judiciary	Hearing Conducted 1/25/2022													
<a href="#">HB1732</a>	1	Private Entities	Establishes the Missouri Workplace Retirement Savings Plan that private business entities may join.	O'Donnell	Financial Institutions	Hearing Conducted 1/12/2022 Executive Completed 1/19/2022 HCS Voted Do Pass	1/20/2022 Referred to Rules - Administrative Oversight Executive Session Completed 2/07/2022 Voted Do Pass	3/1/2022 Placed on Informal Calendar 3/3/2022 Perfected	3/9/2022 Placed on informal calendar for Third read 3/10/2022 Third Read and Reported to Senate	Small Business and Industry	Hearing Completed 04/12/2022								
<a href="#">HB1750</a>	3	PSRS, PEERS, Kansas City PSRS and St. Louis PSRS	<b>168.036:</b> Allows school districts to issue school district teaching permits for persons without a certificate of license to teach granted by the State Board Of Education. <b>37.850:</b> Requires plans to submitted compensation details of all employees which includes all forms of compensation and benefits awarded.	Basye	Elementary and Secondary Education	Hearing Conducted 1/19/2022 Executive Session Completed 2/01/2022 HCS Voted Do Pass	2/01/2022 Rules - Legislative Oversight Executive Session Completed 2/10/2022 Voted Do Pass	3/07/2022 Placed on Formal Perfection Calendar 3/9/2022 Perfected with Amendments Fiscal Review Executive Session Completed 3/23/2022 Voted Do Pass 3/24/2022 Placed on Informal Calendar for Third Read	Fiscal Review Executive Session Completed 3/23/2022 Voted Do Pass 3/24/2022 Placed on Informal Calendar for Third Read	Education	Hearing Conducted 4/19/2022								
<a href="#">HB1753</a>	3	PSRS and PEERS	Modifies the working after retirement critical shortage law for PSRS and PEERS. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit	Basye	Elementary and Secondary Education	Hearing Conducted 3/22/2022 Executive Session Completed 3/29/2022 HCS Voted Do Pass	3/29/2022 Referred to Rules - Legislative Oversight Executive Session Completed 4/7/2022 Voted Do Pass	4/12/2022 Placed on Formal Perfection Calendar											
<a href="#">HB1770</a>	3	All Public School Systems	Modifies the salary for permanent contract teachers for all public school systems. This provision does not apply to St. Louis City.	Lewis	Elementary and Secondary Education	Hearing Completed 3/29/2022 Executive Session Completed 4/5/2022 HCS Voted Do Pass	4/05/2022 Referred to Rules - Legislative Oversight Hearing Completed 4/19/2022 Voted Do Pass												
<a href="#">HB1831</a>	3	St. Louis PSRS	Provides a one time supplemental payment for retired members and beneficiaries of the St. Louis PSRS, subject to state appropriations.	Gray															

<a href="#">HB1881</a>	3	PSRS and PEERS	Modifies the working after retirement critical shortage law for PSRS and PEERS. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a district has declared a teacher/employee critical shortage.	Black (7)	Elementary and Secondary Education	Hearing Completed 2/22/2022 Executive Session Completed 2/23/2022 Voted Do Pass	2/24/2022 Referred to Rules - Legislative Oversight Hearing Completed 3/24/2022 Voted Do Pass	4/21/2022 Placed on Formal Perfection Calendar									
<a href="#">HB1886</a>	1	LAGERS	Repeals the prohibition on counties other than third class counties and Cape Girardeau County from being able to elect to cover emergency telecommunicators, jailors, and emergency medical service personnel as public safety members.	Rogers													
<a href="#">HB1925</a>	1	Blind Pension Fund	Modifies the mailing requirements for the Blind Pension Fund.	Walsh Moore (93)													
<a href="#">HB1927</a>	1		Excludes certain retirement accounts from the determination of eligibility under the Ticket to Work Health Assurance Program.	Walsh Moore (93)													
<a href="#">HB1984</a>	2	MPERS	Modifies the terms of the elected members of the MODOT and Highway Patrol Employees' Retirement System board of trustees.	Hovis	Pensions	Hearing Completed 02/09/2022 Executive Session Completed 2/16/2022 HCS Voted Do Pass	2/22/2022 Referred to Consent and House Procedure Executive Session Completed 3/01/2022 Voted Do Pass	3/22/2022 Perfected by Consent	3/24/2022 Third Read and Passed	Health and Pensions	Hearing Conducted 4/20/2022						
<a href="#">HB1998</a>	3	PSRS, PEERS, Kansas City PSRS and St. Louis PSRS	Allows school districts to issue school district teaching permits for persons without a certificate of license to teach granted by the State Board Of Education.	Davidson	Elementary and Secondary Education	Hearing Completed 2/22/2022 Executive Session Completed 3/1/2022 HCS Voted Do Pass	3/02/2022 Referred to Rules - Legislative Oversight Executive Session Completed 3/24/2022 Voted Do Pass	4/04/2022 Placed on Formal Perfection Calendar									
<a href="#">HB2054</a>	3	LAGERS	Changes the job title of "emergency telecommunicators" to "telecommunicator first responders."	Roden	Public Safety	Hearing Completed 3/08/2022 Executive Session Completed 3/29/2022 HCS Voted Do Pass	3/29/2022 Referred to Rules - Legislative Oversight										
<a href="#">HB2057</a>	3	LAGERS	Changes the job title of "emergency telecommunicators" to "telecommunicator first responders."	Sauls													

<a href="#">HB2089</a>	3	PSRS and PEERS	Modifies provisions relating to teacher employment. Modifies the working after retirement critical shortage law for PSRS and PEERS. Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a district has declared a teacher/employee critical shortage. Repeals the prohibition on retired members being employed as a superintendent under critical shortage.	Pollitt											
<a href="#">HB2114</a>	3	PSRS & PEERS	<b>169.560:</b> Modifies the amount of compensation that a retired PSRS member may earn without a discontinuance of the member's retirement benefit while working after retirement in a position that does not require teacher certification. Instead of compensation being limited to sixty percent of the minimum teacher's salary, allowable compensation will be limited to the annual earnings limit applicable to a Social Security recipient working while receiving Social Security benefits. <b>169.596:</b> Increases the length of time, from two years to four years, that a retired member may work after retirement without losing his or her retirement benefit when a school district has declared a teacher/employee	Black (7)	Pensions	Hearing Completed 1/26/2022 Executive Session Completed 02/09/2022 Voted Do Pass	2/10/2022 Referred to Rules - Administrative Oversight								
<a href="#">HB2161</a>	3	PSRS	Reauthorizes the 2.55 multiplier for teachers retiring with 32 or more years of service. E.C.	Dinkins	Pensions	Hearing Completed 3/23/2022 Executive Session Conducted 3/30/2022 HCS Voted Do Pass	3/30/2022 Referred to Rules - Administrative Oversight								
<a href="#">HB2194</a>	3	PSRS & PEERS	Modifies the amount of compensation that a retired PSRS member may earn without a discontinuance of the member's retirement benefit while working after retirement in a position that does not require teacher certification. Instead of compensation being limited to sixty percent of the minimum teacher's salary, allowable compensation will be sixty percent of the average teacher's salary for the primary district the person is employed in after retirement.	Kelley (127)	Pensions										



<a href="#">HB2216</a>	3	PSRS & PEERS	Modifies the amount of compensation that a retired PSRS member may earn without a discontinuance of the member's retirement benefit while working after retirement in a position that does not require teacher certification. Instead of compensation being limited to sixty percent of the minimum teacher's salary, allowable compensation will be sixty percent of the average teacher's salary for the primary district the person is employed in after retirement.	Bromley	Pensions												
<a href="#">HB2234</a>	2	MOSERS, MPERS, Judicial Retirement System	Modifies multiple provisions for MOSERS, MPERS and the Judicial Retirement System.	Black (7)	Pensions	Hearing Completed 1/26/2022 Executive Session Completed 02/09/2022 Voted Do Pass	2/10/2022 Referred to Rules - Administrative Oversight										
<a href="#">HB2235</a>	3	MOSERS and MPERS	Requires the MOSERS and MPERS boards of trustees to establish a buy-out program for terminated vested members by January 1, 2023. Such members may make a one-time election to receive a lump sum payment equal to sixty percent of the present value of their deferred annuity, or a greater percentage, if determined by the board.	Black (7)													
<a href="#">HB2236</a>	3	MOSERS and MPERS	Allows a retired member of MOSERS or MPERS who returns to employment and subsequently marries to elect a joint and survivor option benefit plan upon re-entry into retirement if the member was not eligible for a joint and survivor option benefit plan at the original retirement date.	Black (7)													
<a href="#">HB2245</a>	3	MPERS	Permits uniformed members of the Highway Patrol who are members of the 2011 Tier to be eligible for BackDROP.	Copeland	Pensions	Hearing Completed 3/30/2022 Executive Session Completed 4/6/2022 Voted Do Pass	4/06/2022 Referred to Rules - Administrative Oversight										
<a href="#">HB2304</a>	3	PSRS & PEERS	Creates a provision that allows a retired person to continue to receive their retirement benefit to be employed on a part-time or temporary substitute basis without discontinuance of the persons retirement benefit.	Lewis	Elementary and Secondary Education	Hearing Conducted 1/13/2022 Executive Session Completed 1/25/2022 HCS Voted Do Pass	1/27/2022 Referred to Rules - Legislative Oversight Executive Session Completed 2/1/2022 Voted Do Pass	2/16/2022 Placed on Informal Perfection Calendar 3/1/2022 Perfected with Amendments	3/03/2022 Placed on Informal Calendar for Third Reading 3/10/2022 Third Read and Passed and Reported to Senate	Education	Hearing Completed 04/12/2022 SCS Voted Do Pass Executive Session Completed 4/20/2022 SCS Voted Do Pass	4/21/2022 Referred to Governmental Accountability and Fiscal Oversight					
<a href="#">HB2352</a>	3	St. Louis PSRS	Provides a one time supplemental payment for retired members and beneficiaries of the St. Louis PSRS, subject to state appropriations.	Anderson													

<a href="#">HB2381</a>	3	LAGERS	Changes the job title of "emergency telecommunicators" to "telecommunicator first responders."	Roden	Public Safety	Hearing Conducted 1/25/2022 Executive Session Completed 02/01/2022 HCS Voted Do Pass	2/1/2022 Referred to Rules - Legislative Oversight Hearing Completed 3/3/2022 Voted Do Pass	4/12/2022 Placed on Formal Perfection Calendar 4/20/2022 Perfected w/ amendments								
<a href="#">HB2400</a>	2	All newly created private plans	This bill provides that both a client and a registered professional employer organization (PEO) shall each be deemed an employer for purposes of sponsoring retirement and welfare benefits plans for covered employees.	Houx	Pensions	Hearing Completed 2/16/2022 Executive Session Completed 2/23/2022 Voted Do Pass	2/23/2022 Referred to Consent and House Procedure Hearing Scheduled 3/1/2022 Voted Do Pass	3/31/2022 Perfected by Consent	4/04/2022 Third Read and Passed	Insurance and Banking	Hearing Completed 04/12/2022 Voted Do Pass					
<a href="#">HB2430</a>	3	PSRS	Reauthorizes the 2.55 multiplier for teachers retiring with 32 or more years of service.	Black (7)	Pensions	Hearing Completed 3/23/2022 Executive Session Completed 4/6/2022 Voted Do Pass	4/06/2022 Referred to Rules - Administrative Oversight									
<a href="#">HB2432</a>	2	St. Louis Police Retirement System	Transfers control of the City of St. Louis Police Department to the Board of Police Commissioners. Modifies the composition of the retirement system's board of trustees.	Roden	Public Safety	Hearing Completed 3/29/2022 Executive Session Scheduled 4/26/2022 HHR 5 9:45 am										
<a href="#">HB2494</a>	2	PSRS & PEERS	Creates a provision that allows a retired person to continue to receive their retirement benefit to be employed on a part-time or temporary substitute basis without discontinuance of the persons retirement benefit.	Black (7)	Pensions											
<a href="#">HB2571</a>	2	Private Entities	This bill establishes the "Missouri Workplace Retirement Savings Plan", which is a multiple-employer retirement saving plan treated as a single plan under Title I of The Employee Retirement Income Security Act of 1974 (ERISA) under 401(a), 401(k), and 413(c) of the Internal Revenue Code, in which multiple employers may voluntarily choose to participate regardless of whether any relationship exists between and among the employers other than their participation in the plan.	Owen	Financial Institutions	Hearing Completed 2/16/2022 Executive Session Completed 2/23/2022 Voted Do Pass	3/08/2022 Referred to Rules - Administrative Oversight Executive Session Completed 3/30/2022 Voted Do Pass	4/11/2022 Perfected with Amendments	4/12/2022 Referred to Fiscal Review 4/14/2022 Placed on Informal Calendar for Third Read 4/19/2022 Third Read and Passed	Insurance and Banking	Hearing Scheduled 4/26/2022 SCR 1 10:00 am					

<a href="#">HB2652</a>	3	PSRS	The bill allows school districts to include differentiated placement of teachers on the salary schedule to provide increased compensation to recruit and retain teachers in hard-to-staff subject areas and schools	Haffner	Elementary and Secondary Education	Hearing Completed 3/08/2022 Executive Session Completed 3/22/2022 HCS Voted Do Pass	3/22/2022 Referred to Rules - Legislative Oversight Hearing Completed 3/24/2022 Voted Do Pass	4/21/2022 Placed on Formal Perfection Calendar										
<a href="#">HB2671</a>	3	St. Louis Police Retirement System	Transfers control of the City of St. Louis Police Department to the Board of Police Commissioners. Modifies the composition of the retirement system's board of trustees.	Schroer														
<a href="#">HB2681</a>	3	Sheriffs'	Creates a state treasury fund for Sheriffs' titled "Sheriffs' Retirement Treasury Fund." Also creates a fifty dollar service fee for summons, writ or other court connections for any eviction proceedings.	Porter (42)														
<a href="#">HB2684</a>	3	MOSERS	This bill allows an individual currently drawing a retirement benefit under a state retirement plan to serve as a member of the General Assembly or as an elected state official and continue to draw their retirement annuity and cost of living adjustments.	Owen														
<a href="#">HB 2698</a>	4	Sheriffs'	Provides a funding mechanism for the sheriffs retirement system.	Kelley (127)														
<a href="#">HB2787</a>	3	PSRS and PEERS	Modifies provisions relating to teacher and school employee retirement systems	Black (7)	Pensions	Hearing Completed 4/20/2022												
<a href="#">HB2799</a>	3	PSRS and PEERS	Creates a provision that allows a retired person to continue to receive their retirement benefit to be employed on a part-time or temporary substitute basis without discontinuance of the persons retirement benefit.	Pike	Pensions	Hearing Completed 3/30/2022 Executive Session Completed 4/6/2022 HCS Voted Do Pass	4/06/2022 Referred to Rules - Administrative Oversight											
<a href="#">HB2816</a>	3	MOSERS	Modifies a provision were a member may attain retirement at age fifty under rule of 80 if the retirement system is over eighty percent funded.	Veit														
<a href="#">HB2825</a>	4	All Plans	Ensures that twenty percent of a firms investments in venture capital and real estate are invested with a Missouri based firm.	O'Donnell	Pensions													
<a href="#">HB2841</a>	3	All Police Plans	This bill allows a law enforcement officer to remain in service until the age of 70 before the officer must be terminated as an officer and retired. The bill also allows the officer to serve over the age of 70 upon approval by the chief of police for an additional year for every chief approval.	Baringer														

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## **RETIREMENT SYSTEM UPDATES**



## Joint Committee on Public Employee Retirement Quarterly Reports

2022 First Quarter

04/22/2022

Pers Name	Beg. Mkt Value	End Mkt Value	ROR 12 mos.	ROR 36 mos.	ROR 60 mos.	ROR for Inv	Price Inf. Assump	Sal/Wage Assump	Comments
Bothwell Regional Health Center Retirement Plan	\$55,297,921	\$50,824,725	4.6% Net	10.7% Net	9.2% Net	7.5%	2.2%	3.0%	
Bridgeton Employees Retirement Plan	\$48,132,716	\$43,800,371	32.81% Net	18.03% Net	12.55% Net	7.5%	3.0%	4.0%	Net of fees includes all earnings, disbursements, fees and deposits. The City issued 2021B Taxable Special Obligation bonds on May 20, 2021 to fund the net pension liability. The net pension payment after discounts and fees was \$13,374,322.
Carthage Policemen's & Firemen's Pension Plan	\$10,068,303	\$9,650,102	14.58% Net	15.62% Net	11.28% Net	7.0%	2.2%	3.5%	
Central County Fire & Rescue Pension Plan	\$35,577,210	\$37,321,894	6.51% Net	NA% Net	NA% Net	6.75%	2.5%	4%	
Community FPD Retirement Plan	\$40,633,748	\$39,955,082	2.68% Net	12.83% Net	6.47% Net	7.5%	2.5%	4%	
Cottleville Community FPD Retirement Plan	\$28,127,631	\$28,491,793	-6.93% Net	N/A	N/A	6.5%	0%	4%	
County Employees Retirement Fund	\$761,051,000	\$729,116,000	6.98% Gross	12.07% Gross	10.48% Gross	7.25%	2.5%	2.5%	
Creve Coeur FPD Retirement Plan	\$18,353,422	\$17,275,422	n/a% Gross	n/a% Gross	n/a% Gross	6%	3%	4%	
Hannibal Police & Fire Retirement Plan	\$27,249,955	\$25,508,975	6.8% Gross	13.8% Gross	11.2% Gross	7.0%	2.5%	3.5%	
Hazelwood Retirement Plan	\$52,918,546	\$49,893,288	3.08% Gross	10.78% Gross	9.54% Gross	7.5%	2.75%	4.5%	Includes City Council Plan
High Ridge Fire Protection District Pension Plan	\$8,637,658	\$8,464,193	4.7% Net	9.6% Net	8.2% Net	6.5%	0%	0%	
Jackson County Employees Pension Plan	\$382,361,848	\$361,123,379	2.4% Gross	9.42% Gross	8.92% Gross	6.75%	2.5%	2.75% - 4.75%	
Little River Drainage Dist Retirement Plan	\$2,210,350	\$2,033,297	2.47% Gross	10.29% Gross	9.25% Gross	5.0%	0%	3.5%	
Metro West FPD Retirement Plan	\$78,522,045	\$73,780,754	2.30% Net	11.30% Net	10.30% Net	0%	0%	0%	
Missouri Higher Education Loan Authority Supplemental Pension Plan	\$68,849,087	\$64,746,875	2.14% Net	9.45% Net	N/A	6.75%	2.25%	4.5%	
North Kansas City Hospital Retirement Plan	\$347,692,623	\$306,855,717	2.40% Net	10.81% Net	9.37% Net	7.00%	2.30%	2.50%	
North Kansas City Policemen's & Firemen's Retirement Fund	\$73,347,117	\$69,276,910	4.3% Gross	11.3% Gross	9.9% Gross	6.5%	4.0%	1.2%	
Pattonville Fire Protection District	\$50,396,196	\$48,794,680	7.47% Net	14.25% Net	8.18% Net	7.75%	2.5%	2.5%	

Pers Name	Beg. Mkt Value	End Mkt Value	ROR 12 mos.	ROR 36 mos.	ROR 60 mos.	ROR for Inv	Price Inf. Assump	Sal/Wage Assump	Comments
Prosecuting Attorneys' Retirement System	\$58,075,393	\$55,217,182	3.29% Net	7.46% Net	6.88% Net	7.0%	2.0%	3.5%	Q1 was a dramatic time in financial markets, featuring Russia's invasion of Ukraine, accelerating inflation, the start of another hiking cycle from the Federal Reserve, as well as an inversion of the yield curve. That turbulence caused stock and bond prices, which typically move in opposite directions, to pull back, meaning that the majority of first quarter statements will show widespread losses for many investors.
Raytown Policemen's Retirement Fund	\$11,680,289	\$10,956,521	5.34% Gross	11.33% Gross	9.51% Gross	7.0%	2.5%	N/A	
Saline Valley Fire Protection District Retirement Plan	\$5,269,050	\$4,986,122	5.7% Gross	10.7% Gross	9.0% Gross	7.0%	2.5%	2.5%	The above information was provided by EPIC Retirement Plan Services, the Plan's discretionary investment provider. EPIC (formerly known as ABG) began providing investment provider services for the plan as of August 2017.
Sedalia Firemen's Retirement Fund	\$8,995,272	\$8,531,853	5.7% Gross	12.2% Gross	10.1% Gross	7.0%	2.0%	3.0%	
Sheriff's Retirement System	\$53,110,704	\$50,722,373	3.10% Gross	8.41% Gross	7.95% Gross	7%	2.5%	2.5%	
St. Joseph Policemen's Pension Fund	\$44,466,134	\$41,224,847	14.60% Gross	18.06% Gross	12.15% Gross	5%	2%	3%	
Valley Park FPD Retirement Plan	\$10,503,189	\$9,769,825	7.23% Net	13.03% Net	11.12% Net	7%	2%	4%	
Wentzville Fire Protection District Pension Plan	\$12,854,903	\$12,705,161	6.8% Gross	10.25% Gross	0% Gross	5%	2%	4%	Time Weighted Rate of Return Board Summary of January 1, 2022 Actuarial Valuation Report April 14, 2022 Time Weighted 36 (2021 + 2022)/2 Price Inflation GASB Nos 67 & 68 Report by Nyhart AI not included in totals
<b>Records Count: 26</b>	<b>\$2,294,382,310</b>	<b>\$2,161,027,341</b>							



## St. Louis County fire protection district says they are slashing taxes amid controversy

**Robert Patrick**

Apr 8, 2022

**H**AZELWOOD — The fire district that serves portions of Hazelwood and Bridgeton, embroiled in a controversy over district spending, said this week it would slash residential tax rates by nearly 60%.

Robertson Fire Protection District's proposal comes as a citizens group talks of recalling **Robertson** board members, claiming officials are improperly padding their pockets and dooming the city of Hazelwood to bankruptcy with their spending.

Robertson Fire Chief Maynard Howell denied any improprieties and was unapologetic for the district's higher costs. He said the issue instead comes down to how residents want to treat firefighters. He acknowledged that the firefighters are well paid, saying he wants to attract them to the district. He wants them to stay long enough to get to know the residents and perhaps spend their careers here.

"We're not trying to hide anything," he said. "There's nothing to hide."

The district covers about 16 miles and includes about 6,000 residents and 600 businesses, Howell said.

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The portion that includes Hazelwood has been the subject of fights for years, with Hazelwood officials saying that the contract, which forces the city to pay any fire district tax exceeding 99 cents for each \$100 of assessed value, was forcing the city to cut jobs and services to stave off bankruptcy.

The city stopped paying the district in 2018, triggering a lawsuit by Robertson. Both sides are now in mediation.

In June of 2021, the citizens group, **Citizens to Save Hazelwood & Fire Services**, formed after a series of attempts by Robertson to pass tax increases, said president Jennifer Guyton. The organization was funded, in part, by about \$5,600 from a group formed to support a sales tax increase that would have gone to the neighboring Hazelwood Fire Department, money that originally came from Hazelwood's Industrial Development Authority, records show.

Guyton's group has been highly critical of Robertson and district officials. In a Feb. 2 Hazelwood City Council meeting **broadcast on Facebook**, Guyton gave a 38-minute **presentation** laying out the group's six-month investigation into Robertson.

Guyton said the district was bankrupting Hazelwood with uncontrolled spending benefiting district insiders and had one of the highest tax rates in St. Louis County.

Guyton rejected the idea that Hazelwood's tax-increment financing deals were to blame for the budget issues, saying there haven't been any new ones since 2008. She said tax abatements were still occurring but were bringing in business and revenue through permit and licensing fees.

Robertson, she said, buys more expensive equipment, retires it earlier than other districts, then sells it — SUVs, for instance — to insiders at substantial discounts. She also said employees are receiving “huge perks,” including lavish salaries and other benefits.

Guyton pointed out that a collective bargaining agreement requires firefighters to be at least fifth-highest paid in the county.

Guyton said a recall of the fire district’s board would allow a new board to dissolve the district or merge with the Hazelwood Fire Department.

But, on Wednesday, the district announced a proposed reduction in the residential tax rate from \$2.41 to 99 cents, saying it was made possible by the expiration of a tax increment financing plan covering Park 370 and the St. Louis Outlet Mall.

Robertson officials said the move, to take effect next year, would save the city of Hazelwood an estimated \$638,000 in taxes. Bridgeton homeowners would each pay hundreds of dollars less.

In an interview with the Post-Dispatch, Howell said the district was making other changes, including ending the policy of selling used vehicles to current or former employees.

On Thursday, after Robertson’s announcement, Hazelwood City Manager Matt Zimmerman said, “Certainly it appears that they have been taking the city’s and the citizen committee’s concerns seriously.”

“Whether or not that yields any substantive changes to the situation I don’t know,” he added.

Zimmerman, in a phone interview earlier this year, said talk of bankruptcy is not hyperbole.

“In my opinion it is inevitable,” he said. “It is a question of when.”

Originally predicted to happen this year, \$6 million in stimulus dollars have now put bankruptcy off until 2024, Zimmerman said.

Zimmerman said fire district payments have increased from \$1.5 million in 1997 to a projected \$6 million in the coming fiscal year, including money that goes to the Florissant Valley Fire Protection District.

“We’ve tried to work with them on long-term solutions and we have been rebuffed,” he said.

Howell disputed that, saying city officials have refused to work toward a solution.

Guyton said the rate cut was “net neutral” for Robertson, meaning it would have no effect on revenue or spending.

Howell said the anti-Robertson group is being fed information by a former employee with a vendetta, and accused it of “working hand in hand with the city.”

Both Guyton and Zimmerman said the citizens group is independent from the city.

Guyton’s group is suing Robertson, claiming the district is violating the state’s Sunshine Law by failing to turn over public records. That lawsuit is pending, but Howell said he’s hired a part-time administrative assistant to catch up on the citizens group’s dozens of records requests.

Bridgeton Mayor Terry Briggs said the rate cut would have “minimal impact” in his city. Robertson’s portion of the city takes in a small number of residential properties and the district is one of four that serve the city, he said.

‘We’re not trying to hide anything. There’s nothing to hide.’

Maynard Howell, Robertson fire protection district Chief

[https://www.columbiamissourian.com/news/higher\\_education/retirement-plan-for-um-system-employees-faces-315-million-shortfall/article\\_c1e39998-ac7e-11ec-b6f3-2fc1c9beae8b.html](https://www.columbiamissourian.com/news/higher_education/retirement-plan-for-um-system-employees-faces-315-million-shortfall/article_c1e39998-ac7e-11ec-b6f3-2fc1c9beae8b.html)

## Retirement plan for UM System employees faces \$315 million shortfall

BY MAVIS CHAN

Mar 25, 2022

The UM System is \$315 million short in the total amount of money that will be owed to future retirees on its pension plan.

Members of the UM System Board of Curators are considering ways to solve the problem, including encouraging some participants to opt out of the benefits.

Curators held a special meeting Friday to discuss ways to increase investment returns to pay for employee pensions, citing the latter as “the largest liability” for the UM System. The board will meet again in April and may vote on proposed changes to the pension plan.

On Friday, curators briefly heard proposals to offer cash-out options, allowing participants to take out their benefits immediately. Another proposal would provide employees on the pension plan with an option to opt out, putting them on a defined contribution plan similar to a 403(b) plan.

MU officials stressed that the concern is over future retirees’ payments, not payments owed to former employees who are already retired.

The employee pension plan has been closed since 2019, meaning nobody hired after that year is eligible for the plan. However, according to documents used in the meeting, paying out the pension is still the largest financial responsibility for the university system.

Currently, the total pension liability stands at around \$4.9 billion. This number was projected to rise over the next 20 years and peak in the 2040s before gradually decreasing.



The university system estimated that \$19 billion is needed to pay out all employees on the pension plan.

Other proposed major changes discussed in the meeting included the system's investment portfolio. There will be a 3% shift from U.S. Treasuries and Treasury Inflation-Protected Securities to real estate.

According to documents used in the meeting, the system will also invest more in properties used in the distribution sector and supply chain. Chief Investment Officer Thomas Richards called these investments "recession-proof."

Moreover, the system will invest more in multifamily homes, such as duplexes and apartment buildings. The plan would also increase investment in private equity — particularly venture capital firms — and funds to biotech and information technology start-ups.

Richards said similar investments have done very well in the past. The university system will also put more money in mid-sized investment vehicles such as investment funds, trusts and limited partnership companies.

Management fees also are expected to increase by more than \$3 million because of increased investment in the private markets.

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## Mavis Chan

Higher Ed reporter, spring 2022. Journalism and Political Science major. Reach me at [kchp8@umsystem.edu](mailto:kchp8@umsystem.edu), or in the newsroom at (573) 882-5700.

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## Gordon Dickson



## **ELECTION RESULTS: APRIL 5, 2022**

### **St. Louis County, Affton Fire Protection District**

Proposition S (4/5 majority)

To keep pace with growth of the District, shall the Board of Directors of Affton Fire Protection District be authorized to levy an additional tax rate of ten cents per one hundred dollars valuation, the revenues from which shall be deposited in a special fund and used only for the continuation of the pension program of the District?

Passed: Yes 1991 No 1337

### **North County Fire & Rescue Fire Protection District (StL)**

Proposition P (Simple majority)

To keep pace with the growth of the district, shall the Board of Directors of North County Fire & Rescue Fire Protection District be authorized to levy an additional tax rate of ten cents (\$0.10) per one hundred dollars assessed valuation, the revenues from which shall be deposited in a special fund and used only for the pension program of the district, including the cost of retiree health benefits?

Passed: Yes 1245 No 670

See: <https://extcontent.stlouisco.com/BOE/FIO/FIO.pdf>





## INVESTMENT OVERVIEW

In *Forbes* magazine, economist Bill Conerly expresses his opinion that the not-so-bad short-term will evolve into long-term problems:

<https://www.forbes.com/sites/billconerly/2022/03/07/economic-forecast-2022-and-beyond-good-now-scary-later/?sh=1864a5515353>;

The Conference Board forecasts that US real GDP growth will slow in 2022 vs. 6.8 (revised) percent growth in Q4 2021. Annual growth in 2022 should come in at 3.0 percent (year-over-year):

<https://www.conference-board.org › research › us-forecast>

In *Market Watch*, Brett Arends reports that bond forecasters have significantly increased their inflation projections for the next five years:

<https://www.marketwatch.com/story/uh-oh-this-inflation-forecast-is-now-flashing-red-11646923258>



**ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING**



**ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING: A SHORT OVERVIEW**

**April 22, 2022**

The acronym ESG has become a financial industry buzzword and an increasingly prevalent way of investing for institutions and individuals. This paper will present the basics of ESG, how it has been formulated, who supports it, and possible implications for the investing world.

Environmental, social, and governance investing has an appeal for a certain sector of society, especially the millennial generation in which about 30% consider this type of investing to be important. As the millennial presence has grown within the investment society, so has attention to ESG. Today, there are several indices providing ESG scores as guides, but they lack consistency. Among the companies providing ESG scores (about 160, all subjective), MSCI, an outgrowth of Morgan Stanley, is widely circulated and followed.

The MSCI rating system for ESG resembles a bond rating format: a company may hold anywhere from a triple-A rating down to a triple C. The various categories are broke down and then aggregated for the final rating. A sample of the category breakdowns are as follows:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Carbon	Human capital	Ethics
Renewable	Labor standards	Corruption
Water stress		Board statistics

These categories are weighted and placed into a final tally that produces the performance rating. Although environmental is listed first, surprisingly it is not the most weighted category overall. Corporate behavior, structure of boards, and employment practices carry far more impact than carbon emission reduction practices. In fact, data protection has more impact than carbon emissions policy and has resulted in downgrades for Facebook and Equifax. Some ratings firms allow self-reporting which, of course, brings quality into question. Data quality may also be affected by numerous types of bias, source diversity, and frequency of reporting.

As might be expected, these disparities in reporting have opened the door for increased regulation. The Securities and Exchange Commission is breaking with history and offering to provide ESG reporting as policy rather than a performance measure. The proposal offers uniformity in reporting and emphasizes climate impact over the social categories now being stressed.

**SHORT AND LONG-TERM IMPACTS**

Prices can be impacted by ESG ratings. As a relatively new measure, impacts can only be evaluated as short-term at this time. Long-term impacts have not yet been developed.

In our legislature, SB 1171 sponsored by Senator Mike Moon has been voted Do Pass in the Small Business and Industry Committee on March 29. The substitute bill is summarized as:

*SCS/SB 1171 - This act requires public bodies to ensure that bidders, offerors, contractors, or subcontractors, when engaged in procuring or letting contracts for any purpose, are not discriminating based on an environmental, social and governance score, as defined in the act.*

*The act prohibits a public body from entering into a contract with a company, as defined in the act, for goods or services unless the contract contains a written verification from the company that it does not use environmental, social, and governance scoring. This provision does not apply if the public body determines these requirements are inconsistent with the public body's constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds.*

*This act only applies to contracts that:*

- Are between a public body and a company with 10 or more full-time employees; and*
- Have a value of \$50,000 or more that is to be paid wholly or partially from public funds of the public body.*

As of 4/22, this bill does not appear on a Senate floor calendar.

### **SOME QUESTIONS TO CONSIDER CONCERNING ESG**

Whatever your policy preferences, as an agent of plan beneficiaries a few questions should be asked:

1. Who drives the trend of ESG investing?
2. How can the new values of ESG be consistently measured?
3. What might be expected economically if oil and gas are totally divested?
4. How does ESG impact investment returns in the short-term? Long-term?

These questions might be asked of the analysts within various public pension plans.

### **Further Reading**

Basics:

<https://money.usnews.com/investing/news/articles/what-is-an-esg-score#:~:text=ESG%20scores%20are%20calculated%20by,with%20companies%20from%20other%20sectors.>

Short-term/Long-term responses:

[https://www.ey.com/en\\_gl/strategy/short-term-steps-to-monitor-long-term-value-what-insurers-can-do-now;](https://www.ey.com/en_gl/strategy/short-term-steps-to-monitor-long-term-value-what-insurers-can-do-now;)

[https://www.ey.com/en\\_gl/financial-services-emeia/short-term-steps-for-long-term-value-the-impact-of-esg-ratings-on-tsr](https://www.ey.com/en_gl/financial-services-emeia/short-term-steps-for-long-term-value-the-impact-of-esg-ratings-on-tsr)

SEC:

<https://www.sec.gov/news/press-release/2022-46;>

<https://www.sec.gov/rules/proposed/2022/33-11042.pdf>

## **SHERIFF'S RETIREMENT DISCUSSION**

### **SHERIFF RETIREMENT BILLS:**

HB 2693

HJR 136

SB 1054

SJR 54





**Procurement Action Plans,  
Section 104.621, 105.702, 169.573, RSMo**





PUBLIC SCHOOL & EDUCATION EMPLOYEE  
RETIREMENT SYSTEMS OF MISSOURI

## MEMORANDUM

TO: Joint Committee on Public Employee Retirement and  
Governor's Minority Advocacy Commission

CC: Dearld Snider, Executive Director

FROM: Craig A. Husting, CFA, Chief Investment Officer

RE: Affirmative Action Policy and Procurement Action Plan Annual Report

DATE: January 28, 2022

Sections 104.621, 105.702, and 169.573, RSMo require PSRS and PEERS (hereinafter referred to as "the Systems") to make an annual report to the Governor's Minority Advocacy Commission and the Joint Committee on Public Employee Retirement regarding the progress made in the area of utilization of minority and women money managers, brokers, and investment counselors (hereinafter referred to as "firms"). The contents and attachment to this memorandum are deemed to satisfy these statutory requirements.

The Systems last revised the Affirmative Action Policy and Procurement Action Plan for Money Managers, Brokers and Investment Counselors in October 2014. A copy of the policy is attached for your reference. The policy has always required firms retained by the Systems to maintain an affirmative action plan. However, the October 2014 revisions now require firms to provide an annual report with more detailed information to the Systems. In addition, under the revised policy, the Systems' Investment Staff is required to report annually to the Board of Trustees regarding the Affirmative Action Policy and Procurement Action Plan.

The Systems and its consultants have a process to review all potential qualified firms that have an interest in working with the Systems regardless of sex or minority status. The Systems evaluate firms equally to determine those best qualified to provide requested services. The Systems have long term relationships in place with the majority of their investment consultants, traditional equity and fixed income managers and commingled fund managers. These relationships include an association that has existed since 1999 with a U.S. equity firm that qualifies as a women owned business. The firm managed approximately \$1.1 billion for the Systems as of June 30, 2021. In 2011, the Systems hired an emerging markets manager that qualified as both a minority and women owned business. The firm increased outside ownership in 2014 and no longer qualified as a minority and women owned business (although key leadership roles were relatively unchanged). The firm's management team acquired the equity held by outside ownership in August 2018 and once again qualifies as a minority and women owned business. The firm managed approximately \$646 million for the Systems as of June 30, 2021.

The Systems anticipate few additions or changes to its traditional investment firm roster in the near term. Conversely, growth is anticipated within private risk assets (private equity, private credit and private real estate). As such, the Systems internal staff and consultants will continue to engage with all qualified parties in the private investment space. However, the number of firms qualifying as women or minority owned in the real estate, private credit and private equity asset classes is currently minimal. The Systems currently have relationships with four private risk asset firms qualifying as a minority or women owned business. The market value of invested assets was approximately \$413 million as of June 30, 2021.

4. To qualify as a minority or women owned Firm, such Firm shall:
  - a. Be domiciled in the United States;
  - b. Be owned or controlled by one or more individuals who collectively are women or who qualify as a minority as defined below. Ownership is classified as having a controlling interest in the firm of at least 51%; and
  - c. Have such women or minority owners involved in the daily business operations of the firm.

As used in this policy, the term “minorities” means individuals who are citizens of the United States (or lawfully admitted permanent residents) who are considered a minority for purposes of the State of Missouri’s Minority and Women’s Business Enterprise program, as administered by the Missouri Office of Equal Opportunity.