

The **Association** report

from the **Capitol**

March 27, 2008

The Missouri House returned this week from its annual spring break and wrapped up its version of the state budget which includes an increase in deferred compensation. (a high priority for the Association.)

The House Budget Committee had recommended an increase of \$10 a month in the state's contribution to the deferred comp program. The full house agreed with that recommendation and sent it along with billions of dollars in budgetary proposals to the senate. The House Appropriations Committee for General Administration had earlier recommended a \$25-a-month increase in the benefit.

During house debate on HB2005 (which contains the deferred comp increase) Rep. Ray Salva attempted to restore the benefit to the appropriations committee level. Rep. Salva reminded house members that it was 10 years ago that the general assembly had changed the statute to raise the state's maximum deferred comp contribution to \$75 but had never funded it above the original \$25.

"The deferred comp has not been raised in 14 years," Rep. Salva said. "And that's a long time for our 60,000 state employees to wait."

Because of the cost involved, there was some resistance to immediately raising the deferred comp beyond the \$35 monthly contribution as agreed upon in the budget committee. The chairman of the House Budget Committee, Rep. Allen Icet, said he believes the deferred comp plan is an incentive to encourage state employees to save money. Rep. Icet said he would expect to work with Rep. Salva to phase in future increases in the savings program.

Rep. Salva's amendment was defeated on a close vote.

Rep. Jim Lembke, who chairs the appropriations committee where the deferred comp increase was initiated, reminded the house that it was a bi-partisan effort to help our state employees save for their retirement."

The budget is now in the hands of the senate for further scrutiny before they meet with the house to work out any differences in funding proposals. State law requires the budget be completed one week before the end of the legislative session which is May 16th at 6 p.m.

**From Harry Hill, Lobbyist
Missouri Highway and Transportation Employees' Association**