

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 31

H.P. 34

House of Representatives, January 6, 2005

**An Act To Establish the Administrative Operating Budget for the
Maine State Retirement System for the Fiscal Year Ending June 30,
2006**

(EMERGENCY)

Reported by Representative SMITH of Van Buren for the Maine State Retirement System pursuant to the Maine Revised Statutes, Title 5, section 17103, subsection 13.

Reference to the Committee on Labor suggested and ordered printed under Joint Rule 218.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

2 **Emergency preamble.** Whereas, acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 **Whereas,** the 90-day period may not terminate until after the
beginning of the next fiscal year; and

8 **Whereas,** certain obligations and expenses incident to the
operation of the Maine State Retirement System will become due
and payable before the 90-day period may terminate; and

10
12 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
14 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
16 safety; now, therefore,

18 **Be it enacted by the People of the State of Maine as follows:**

20 **Sec. 1. Allocation of funds.** Administrative operating expenses
of the Maine State Retirement System for the fiscal year ending
22 June 30, 2006 must be paid from the system's Expense Fund in
accordance with the following schedule.

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	2005-06
MAINE STATE RETIREMENT SYSTEM	
Personal Services	\$7,332,932
All Other	3,124,933
MAINE STATE RETIREMENT SYSTEM	
TOTAL ALLOCATIONS	<u>\$10,457,865</u>

34 **Sec. 2. Attribution of costs.** The expenses identified in section
36 1 are attributed as follows.

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	2005-06
MAINE STATE RETIREMENT SYSTEM	
General Fund	\$7,082,660
Non-General Fund	1,550,432
Participating Local District and Other	1,824,773
MAINE STATE RETIREMENT SYSTEM	
TOTAL ATTRIBUTIONS	<u>\$10,457,865</u>

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2 **Sec. 3. Transfers of allocations; year-end balances.** Transfers of
allocations and carry-forwards of unexpended balances must be
4 carried out in accordance with the Maine Revised Statutes, Title
5, section 17103, subsection 13.

6 **Sec. 4. Collective bargaining agreements approval.** The
allocations made in section 1 of this Act and the attributions
8 made in section 2 of this Act include the amounts required to
fund the collective bargaining agreements approved in Private and
10 Special Law 2003, chapter 34.

12 **Sec. 5. Technology replacement approval.** Of the amount
authorized to be expended in section 1 of this Act, \$200,000 is
14 the initial expenditure request towards the cost of replacing the
benefits payroll technology currently used by the Maine State
16 Retirement System. This technology will become obsolete on
December 31, 2006.

18 **Sec. 6. Authorization to expend retirement system reserve
20 administrative operating funds.** Of the amount authorized to be
expended in section 1 of this Act for the administrative costs of
22 the retirement system, \$400,000 must be provided from the
system's reserve administrative operating funds.

24 **Emergency clause.** In view of the emergency cited in the
26 preamble, this Act takes effect July 1, 2005.

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SUMMARY

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Effective July 1, 1993, the Maine State Retirement System is
required by statute to present its annual operating budget to the
34 Legislature for approval. This bill is the system's 12th annual
budget. It is for fiscal year 2005-06.

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This bill identifies the retirement system's personal
38 services costs and its costs for all other operating expenses.

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For information purposes, the bill presents the attribution
of expenses to the 3 retirement system member and employer
42 categories: General Fund; Non-General Fund; and Participating
Local District.

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This bill requests \$200,000 to begin funding for a
46 multimillion dollar expenditure to replace aging and
soon-to-be-desupported benefits payroll technology.