

MAINE STATE LEGISLATURE

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Date: 6/5/19 Majority

L.D. 1208
(Filing No. H- 498)

LABOR AND HOUSING

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 872, L.D. 1208, Bill, "An Act To Expand the 1998 Special Retirement Plan To Include Detectives in the Office of the Attorney General"

Amend the bill by striking out all of section 9 and inserting the following:

'Sec. 9. Transition. If a detective in the employment of the Office of the Attorney General on July 1, 2020 elects to participate in the 1998 Special Plan of the Maine Public Employees Retirement System, as provided in the Maine Revised Statutes, Title 5, section 17851-A, subsection 1, that employee must make that election no later than September 30, 2020 and that employee's participation in the 1998 Special Plan becomes effective October 1, 2020.

Sec. 10. Appropriations and allocations. The following appropriations and allocations are made.

ATTORNEY GENERAL, DEPARTMENT OF THE

Administration - Attorney General 0310

Initiative: Moves funds from All Other to Personal Services to fund the additional cost for detectives employed in the Office of the Attorney General on July 1, 2020 to participate in the 1998 Special Plan on a prospective basis.

FEDERAL EXPENDITURES FUND	2019-20	2020-21
Personal Services	\$0	\$13,494
All Other	\$0	(\$13,494)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

COMMITTEE AMENDMENT



COMMITTEE AMENDMENT "A" to H.P. 872, L.D. 1208

1	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
2	Personal Services	\$0	\$3,598
3	All Other	\$0	(\$3,598)
4			
5	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$0</u>

6 **Administration - Attorney General 0310**

7 Initiative: Moves funds from All Other to Personal Services to fund the additional cost for
 8 detectives employed in the Office of the Attorney General on July 1, 2020 to participate
 9 in the 1998 Special Plan on a prospective basis.

10	GENERAL FUND	2019-20	2020-21
11	Personal Services	\$0	\$6,687
12	All Other	\$0	(\$6,687)
13			
14	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$0</u>

15 **ATTORNEY GENERAL, DEPARTMENT OF**
 16 **THE**
 17 **DEPARTMENT TOTALS**

18		2019-20	2020-21
19	GENERAL FUND	\$0	\$0
20	FEDERAL EXPENDITURES FUND	\$0	\$0
21	OTHER SPECIAL REVENUE FUNDS	\$0	\$0
22			
23	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$0</u>
24			

25 **SUMMARY**

26 This amendment is the majority report of the committee. The amendment changes the
 27 deadline for the one-time election for detectives in the Office of the Attorney General to
 28 participate in the 1998 Special Plan and establishes the effective date of their
 29 participation. The amendment also adds an appropriations and allocations section.

30 **FISCAL NOTE REQUIRED**

31 (See attached)



129th MAINE LEGISLATURE

LD 1208

LR 685(02)

An Act To Expand the 1998 Special Retirement Plan To Include Detectives in the Office of the Attorney General

Fiscal Note for Bill as Amended by Committee Amendment *A(H-498)*
Committee: Labor and Housing
Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$0	\$0	\$0
Federal Expenditures Fund	\$0	\$0	\$0	\$0
Other Special Revenue Funds	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

Allowing detectives employed in the Office of the Attorney General on or after July 1, 2020 to participate in the 1998 Special Plan of the Maine Public Employees Retirement System will increase both the normal cost and unfunded actuarial liability components of the employer retirement rate, resulting in increased employer contributions to the Maine Public Employees Retirement System for detectives beginning in fiscal year 2020-21.

This legislation includes a transition provision for those detectives hired by the Office of the Attorney General prior to July 1, 2020 which allows these employees to elect to participate in the 1998 Special Plan by September 30, 2020. Based on an analysis performed by the Maine Public Employees Retirement System, this fiscal note assumes that 7 of the 12 eligible detectives (including one new detective position proposed to be added in the 2020-2021 biennial budget) will elect to participate in the 1998 Special Plan as soon as the option becomes available and the remaining detectives will opt to stay in the State Regular Plan.

The Office of the Attorney General has indicated that it will pay for the cost of this provision within its proposed budgeted resources for fiscal year 2020-21. This bill includes a General Fund appropriation of \$6,687 in fiscal year 2020-21, a Federal Expenditures Fund allocation of \$13,494 in fiscal year 2020-21 and an Other Special Revenue Funds allocation of \$3,598 in fiscal year 2020-21 to the Personal Services line category and a corresponding deappropriation and deallocations to the All Other line category to the Administration - Attorney General program within the Office of the Attorney General to self-fund the cost in fiscal year 2020-21.

If any of the detectives hired by the Office of the Attorney General prior to July 1, 2020 who choose to remain in the State Regular Plan eventually retire or otherwise vacate their positions, any newly hired detectives will be placed in the 1998 Special Plan. The additional cost to the Office of the Attorney General to fill these positions at the higher employer contribution rate is estimated to be between \$2,000 and \$3,000 per position annually. When this additional cost will be incurred and which funds will be impacted can not be determined at this time.