

MAINE STATE LEGISLATURE

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STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
Bureau of the Budget
State House Station #58
Augusta, Maine 04333

DATE: April 27, 2012

TO: Senator Richard W. Rosen, Chair
Representative Patrick S. A. Flood, Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

Senator Ronald F. Collins, Chair
Representative Richard M. Cebra, Chair
Members, Joint Standing Committee on Transportation

FROM: Dawna Lopatosky, State Budget Officer *DLS*
Department of Administrative and Financial Services

SUBJECT: Report on the Retirement Incentive Program

Public Laws 2011, chapter 380, Part Z-1 authorized the Commissioner of the Department of Administrative and Financial Services to offer a retirement incentive program to employees who were eligible to retire and had reached their normal retirement age. Employees in special retirement plans were excluded from the program.

Employees participating in the retirement incentive program were required to submit a notice of intent to participate between July 1, 2011 and August 31, 2011. Eligibility to retire under this incentive program was verified by the Maine Public Employees Retirement System. A total of 254 employees were determined to be eligible to participate. This week it was discovered that an additional employee submitted the necessary paperwork by the deadline but the processing was not completed in error. This increases the number of employees participating to 255 but as the position is federally funded it does not change the savings for the General Fund or Highway Fund. Included with this report is a count of the employees by program as required by Public Laws 2011, chapter 380, Part Z-3.

The underlying assumptions that were used to estimate the savings for the incentive program included the following:

- The number of employees that would participate in the program would be approximately the same as the number that participated when the program was offered in fiscal year 2009-10. 295 employees participated in the incentive program that was offered at that time.
- The incentive payment offered to employees would be \$5,000. In fiscal year 2009-10 the amount of the incentive payment was \$10,000.
- Application to the program was to be made between July 1, 2011 and August 31, 2011, with an effective date of retirement between July 1, 2011 and November 1, 2011 (inclusive).
- The savings would be slightly higher than the amounts achieved the last time the program was offered, in part because of the lower incentive payment.

Actual savings to the General Fund were short of the fiscal year 2011-12 \$5 million target by \$420,154, however, the \$5.5 million target for fiscal year 2012-13 was exceeded by \$583,432, resulting in net additional savings to the General Fund of \$163,278 over the biennium. Public Law 2011, chapter 655, Part A adjusted the original projections and recognized the additional savings.

Actual savings to the Highway Fund fell short of the \$2 million fiscal year 2011-12 target and the \$2.5 million fiscal year 2012-13 target by \$1,108,908 and \$1,202,048 respectively. Public Law 2011, chapter 649, Part A adjusted the original projections to offset the shortfall.

A report of the transferred amounts for the Highway Fund as required by Public Law 2011, chapter 392, Part N-1 is attached. Transferred amounts for the General Fund have been included as well. Please contact me if you have any questions related to this matter.

cc: H. Sawin Millett Jr., Commissioner Department of Administrative and Financial Services
Office of Fiscal and Program Review

Retirement Incentive

PL 2011 c. 380 Pt. Z PL 2011 c. 392 Pt. N
C-Z-9041 and C-N-9042

Dept	Department	Fund	Account	2012	2013	2012	2013
ADM00	ADMIN & FIN SVCS	010	01018A008001	(103,415)	(177,996)		
ADM00	ADMIN & FIN SVCS	010	01018F000207	(125,160)	(132,010)		
ADM00	ADMIN & FIN SVCS	010	01018F001646			(5,000,000)	(5,500,000)
ADM00	ADMIN & FIN SVCS	010	01018F001646			4,579,846	6,083,432
BEH00	HHS (BDS)	010	01014A012102	(245,862)	(264,792)		
BEH00	HHS (BDS)	010	01014A012260	(420,398)	(614,581)		
BEH00	HHS (BDS)	010	01014A013607	(197,300)	(271,619)		
BEH00	HHS (BDS)	010	01014AZ12301	(32,133)	(49,149)		
BEH00	HHS (BDS)	010	01014B073310	(165,058)	(230,692)		
BEH00	HHS (BDS)	010	01014C073415	(42,697)	(46,112)		
BEH00	HHS (BDS)	010	01014G070001	(50,433)	(65,529)		
CON00	CONSERVATION	010	01004A022133	(45,966)	(80,232)		
CON00	CONSERVATION	010	01004A023691	(26,695)	(58,725)		
COS00	CORRECTIONS	010	01003B014401	(642,413)	(746,315)		
COS00	CORRECTIONS	010	01003C016201	(135,029)	(171,233)		
COS00	CORRECTIONS	010	01003D054201	(180,578)	(224,876)		
COS00	CORRECTIONS	010	01003E085701	(100,967)	(132,455)		
COS00	CORRECTIONS	010	01003F016301	(94,468)	(129,933)		
EDU00	EDUCATION	010	01005A030809	(32,724)	(61,385)		
EDU00	EDUCATION	010	01005AZ07871	(45,154)	(49,403)		
EDU00	EDUCATION	010	01005AZ08173	(19,186)	(29,871)		
ENV00	ENVIRONMENTAL PROT	010	01006A025010	(23,995)	(44,403)		
HUM00	HUMAN SERVICES	010	01010A010001	(69,154)	(98,849)		
HUM00	HUMAN SERVICES	010	01010A012901	(153,957)	(183,230)		
HUM00	HUMAN SERVICES	010	01010A013901	(83,508)	(121,935)		
HUM00	HUMAN SERVICES	010	01010A014201	(28,914)	(32,000)		
HUM00	HUMAN SERVICES	010	01010A014301	(132,007)	(143,696)		
HUM00	HUMAN SERVICES	010	01010A014601	(50,561)	(62,796)		
HUM00	HUMAN SERVICES	010	01010A019601	(169,009)	(208,597)		
HUM00	HUMAN SERVICES	010	01010A030701	(83,317)	(87,532)		
HUM00	HUMAN SERVICES	010	01010A045201	(290,196)	(337,637)		
HUM00	HUMAN SERVICES	010	01010A045301	(292,495)	(436,385)		
HUM00	HUMAN SERVICES	010	01010AZ02001	(42,568)	(55,245)		
HUM00	HUMAN SERVICES	010	01010AZ03501	(35,833)	(70,693)		
HUM00	HUMAN SERVICES	010	01010AZ03601	(44,056)	(55,966)		
HUM00	HUMAN SERVICES	010	01010AZ03701	(50,971)	(65,083)		
INL00	INLAND FISH & WILDLIFE	010	01009A053101	(28,838)	(49,973)		
INL00	INLAND FISH & WILDLIFE	010	01009A053401	(71,420)	(111,327)		
INL00	INLAND FISH & WILDLIFE	010	01009A053501	(59,534)	(97,423)		
LAB00	LABOR	010	01012A015940	(35,947)	(77,560)		
LAB00	LABOR	010	01012A085201	(20,263)	(22,052)		
LIB00	LIBRARY	010	01094Q021741	(66,331)	(92,317)		
MAR00	MARINE RESOURCES	010	01013A002701	(27,026)	(67,151)		
PUS00	PUBLIC SAFETY	010	01016A029101	(14,310)	(24,674)		
			010 Total	(4,579,846)	(6,083,432)	(420,154)	583,432
ADM00	ADMIN & FIN SVCS	012	01218F001631			(2,000,000)	(2,500,000)
ADM00	ADMIN & FIN SVCS	012	01218F001631			891,092	1,297,952
PUS00	PUBLIC SAFETY	012	01216A029101	(13,749)	(23,706)		
PUS00	PUBLIC SAFETY	012	01216A071501	(20,139)	(48,379)		
SEC00	SECRETARY OF STATE	012	01229B007704	(206,189)	(259,267)		
TRC00	TRANSPORTATION	012	01217A033055	(390,650)	(607,554)		
TRC00	TRANSPORTATION	012	01217A033905	(90,716)	(128,775)		
TRC00	TRANSPORTATION	012	01217A040695	(169,649)	(230,271)		
			012 Total	(891,092)	(1,297,952)	(1,108,908)	(1,202,048)

**Public Law 2011, Chapter 380, Part Z-1
Count of Employees Participating in the
Retirement Incentive Program**

Department	Program	Program Title	Emp Count
Administrative and Financial Services	0002	Revenue Services - Bureau Of	1
	0023	Lottery Operations	1
	0080	Buildings & Grounds Operations	4
	0155	Information Services	12
	0455	Accident-Sickness-Health Insurance	2
	0713	Financial And Personnel Services - Division Of	2
	0802	Workers' Compensation Management Fund Program	1
Administrative and Financial Services Total			23
Agriculture, Food and Rural Resources	0393	Division Of Quality Assurance And Regulation	1
Agriculture, Food and Rural Resources Total			1
Attorney General the	0696	Human Services Division	4
Attorney General the Total			4
Audit	0075	Audit - Unorganized Territory	1
Audit Total			1
Baxter Compensation Authority	0253	Baxter State Park Authority	1
Baxter Compensation Authority Total			1
Conservation	0221	Parks - General Operations	3
	0232	Division Of Forest Protection	1
	0236	Land Use Regulation Commission	1
Conservation Total			5
Corrections	0124	Adult Community Corrections	3
	0141	Administration - Corrections	2
	0144	State Prison	2
	0162	Correctional Center	3
	0163	Long Creek Youth Development Center	1
	0400	Charleston Correctional Facility	1
	0542	Downeast Correctional Facility	4
	0857	Mountain View Youth Development Center	2
	0892	Juvenile Community Corrections	2
Corrections Total			20
Defense, Veterans and Emergency Mgt.	0108	Military Training & Operations	7
Defense, Veterans and Emergency Mgt. Total			7
Economic and Community Development	0577	Office Of Tourism	1
	0587	Community Development Block Grant Program	1
	0308	General Purpose Aid For Local Schools	1
	Z078	School Finance And Operations	1
	Z080	Special Services Team	1
Economic and Community Development Total			5
Education	Z081	Pk-20, Adult Education And Federal Programs Team	2
Education Total			2
Efficiency Maine Trust	Z100	Efficiency Maine Trust	2
Efficiency Maine Trust Total			2
Environmental Protection	0247	Remediation And Waste Management	2
	0250	Air Quality	1
	0251	Administration - Environmental Protection	2
	0421	Maine Environmental Protection Fund	1
	0851	Performance Partnership Grant	2
Environmental Protection Total			8
Executive Department	0072	Blaine House	1
Executive Department Total			1
Health and Human Services	0100	Child Support	5
	0105	Riverview Psychiatric Center	10
	0120	Dorothea Dix Psychiatric Center	3

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Count of Employees Participating in the
Retirement Incentive Program**

	0121	Mental Health Services - Community	4
	0122	Developmental Services - Community	9
	0129	Bureau Of Medical Services	4
	0136	Mental Health Services - Children	3
	0139	State-Funded Foster Care/Adoption Assistance	2
	0140	Office Of Elder Services Central Office	3
	0142	Office Of Management And Budget	5
	0143	Health - Bureau Of	4
	0146	Addl Support For Persons In Retraining And Employment	1
	0191	Maternal & Child Health	3
	0196	Omb Division Of Regional Business Operations	4
	0208	Disability Determination - Division Of	1
	0307	Bureau Of Child And Family Services - Central	1
	0452	Bureau Of Child And Family Services - Regional	4
	0453	Bureau Of Family Independence - Regional	15
	0679	Office Of Substance Abuse	1
	0700	Driver Education & Evaluation Program - Substance Abuse	1
	Z020	Office For Family Independence	3
	Z035	Division Of Purchased Services	1
	Z036	Division Of Licensing And Regulatory Services	2
	Z037	Division Of Data, Research And Vital Statistics	2
	Z038	Division Of Administrative Hearings	1
	Z040	Office Of Elder Services Adult Protective Services	1
	Z123	Forensic Services	1
Health and Human Services Total			94
Inland Fisheries and Wildlife	0531	Licensing Services - IF&W	1
	0534	Resource Management Services - IF&W	2
	0535	Fisheries And Hatcheries Operations	2
Inland Fisheries and Wildlife Total			5
Labor	0159	Regulation And Enforcement	1
	0245	Employment Security Services	12
	0799	Rehabilitation Services	3
	0842	Governor's Training Initiative Program	1
	0852	Employment Services Activity	6
Labor Total			23
Library	0217	Maine State Library	3
Library Total			3
Marine Resources	0027	Bureau Of Resource Management	2
	Z049	Sea Run Fisheries And Habitat	1
Marine Resources Total			3
Professional and Financial Regulation	0092	Insurance - Bureau Of	4
	0352	Licensing And Enforcement	1
Professional and Financial Regulation Total			5
Public Safety	0088	Administration - Public Safety	1
	0291	State Police	1
	0327	Fire Marshal - Office Of	1
	0715	Traffic Safety - Commercial Vehicle Enforcement	1
Public Safety Total			4
Public Utilities Commission	0994	Emergency Services Communication Bureau	1
Public Utilities Commission Total			1
Secretary of State	0077	Administration - Motor Vehicles	5
Secretary of State Total			5
Transportation	0326	Island Ferry Service	3
	0330	Maintenance And Operations	12
	0339	Administration	2

**Public Law 2011, Chapter 380, Part Z-1
 Count of Employees Participating in the
 Retirement Incentive Program**

	0347	Fleet Services	3
	0406	Highway & Bridge Capital	8
Transportation Total			28
Workers' Compensation Board	0183	Administration - Workers' Compensation Board	4
Workers' Compensation Board Total			4
Grand Total			255