

MAINE STATE LEGISLATURE

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(Emergency)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 2640

S.P. 1007

In Senate, April 20, 1988

Referred to the Committee on Appropriations and Financial Affairs and ordered printed. Sent down for concurrence.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator PEARSON of Penobscot.

Cosponsored by Representative HIGGINS of Scarborough,
Senator EMERSON of Penobscot, Representative CARTER of Winslow.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-EIGHT

AN ACT to Adjust the Rainy Day Fund
Program.

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

7 Whereas, Public Law 1987, chapter 68, subsection 2
8 established a committee to study the retirement system
9 in order to ensure its fiscal soundness; and

1 Whereas, Public Law 1987, chapter 349, Part H,
2 section 4 authorized a temporary increase to the limit
3 of the State's Rainy Day Fund Program in order that
4 resources necessary to fund the recommendations
5 resulting from the aforementioned study could be set
6 aside; and

7 Whereas, Public Law 1987, chapter 349, Part C,
8 section 1 appropriated funds to the Rainy Day Fund
9 Program in accordance with this intent of the
10 Legislature; and

11 Whereas, Public Law 1987, chapter 348, section 2
12 allocated income to the Highway Fund for the same
13 purpose; and

14 Whereas, the actual amounts needed to ensure the
15 fiscal soundness of the Maine State Retirement System
16 have now been determined; and

17 Whereas, in the judgment of the Legislature, these
18 facts create an emergency within the meaning of the
19 Constitution of Maine and require the following
20 legislation as immediately necessary for the
21 preservation of the public peace, health and safety;
22 now, therefore,

23 Be it enacted by the People of the State of Maine as
24 follows:

25 Sec. 1. 5 MRSA §1513, sub-§4, as enacted by PL
26 1987, c. 349, Pt. H, §4, is repealed.

27 Sec. 2. Appropriation. The following funds are
28 appropriated from the General Fund to carry out the
29 purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
30		
31	<u>FINANCE, DEPARTMENT OF</u>	
32	Rainy Day Fund Program	
33	Unallocated	\$(23,000,000)

1	<u>EDUCATIONAL AND CULTURAL SERVICES,</u>		
2	<u>DEPARTMENT OF</u>		
3	Teacher Retirement		
4	All Other	\$8,429,434	11,063,960
5	<u>MAINE STATE RETIREMENT SYSTEM,</u>		
6	<u>BOARD OF TRUSTEES</u>		
7	Retirement System -		
8	Retirement Allowance Account		
9	All Other	1,108,915	
10			
11	TOTAL	<u>\$9,538,349</u>	<u>\$(11,936,040)</u>

12 **Sec. 3. Allocation.** In order to provide for
13 the full costs of employer retirement contributions
14 for fiscal years 1987-77 and 1988-89 the following
15 sums are allocated from the Highway Fund.

16		<u>1987-88</u>	<u>1988-89</u>
17	<u>MAINE STATE RETIREMENT SYSTEM,</u>		
18	<u>BOARD OF TRUSTEES</u>		
19	Reserve for Future Funding -		
20	State Employees		
21	All Other		\$(1,365,839)
22	Retirement System - Retirement		
23	Allowance Fund		
24	All Other	\$336,264	
25			
26	Total	<u>\$336,264</u>	<u>\$(1,365,839)</u>

27 **Emergency clause.** In view of the emergency
28 cited in the preamble, this Act shall take effect when
29 approved, except that section 1 shall take effect on
30 July 2, 1988.

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FISCAL NOTE

	<u>1987-88</u>	<u>1988-89</u>	<u>Net</u>
General Fund			
Appropriations	\$9,538,349	\$(11,936,040)	\$(2,397,691)
Highway Fund			
Allocations	\$336,264	\$(1,365,839)	\$(1,029,575)

STATEMENT OF FACT

This bill provides funding in support of the recommendations of the Committee to Study the Retirement System which was established by Public Law 1987, chapter 68, subsection 2.

Section 1 repeals the Maine Revised Statutes, Title 5, section 1513, subsection 4, as the intent of that section will have been fulfilled.

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