

MAINE STATE LEGISLATURE

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AGING, RETIREMENT & VETERANS

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STATE OF MAINE
SENATE
116TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 607, L.D. 1705,
"RESOLUTION, Proposing an Amendment to the Constitution of Maine to Establish a Schedule for Paying Off the Unfunded Liability of the Maine State Retirement System"

Amend the resolution by striking out the title and substituting the following:

'RESOLUTION, Proposing an Amendment to the Constitution of Maine to Require Actuarially Sound Funding of the Maine State Retirement System'

Further amend the resolution by striking out the 2nd to 4th paragraphs (page 1, lines 5 to 26 in L.D.) and inserting in their place the following:

'Constitution, Art. IX, §18-A is enacted to read:

Section 18-A. Funding of the Maine State Retirement System. For each fiscal year beginning after June 30, 1995, the Governor shall include in the budget and the Legislature shall make appropriations to fund the Maine State Retirement System on an actuarially sound basis that will not create any additional unfunded liabilities except those resulting from experience losses.'

Further amend the resolution by striking out all of the question (page 1, lines 39 to 41 in L.D.) and inserting in its place the following:

COMMITTEE AMENDMENT

2 ' "Do you favor amending the Constitution of Maine to
require actuarially sound funding of the Maine State
4 Retirement System?" '

6 Further amend the resolution by inserting at the end before
the statement of fact the following:

8
10 **FISCAL NOTE**

12 The estimated cost of sending this constitutional amendment
out to referendum will vary according to the total number of
14 referenda enacted during the Second Regular Session of the 116th
Legislature. The estimated cost to the Secretary of State if one
to 6 referenda are enacted is \$95,000. Each additional
16 referendum costs an additional \$7,000.

18 If approved by the voters, this constitutional amendment
will require future legislation that increases the unfunded
20 liability of the Maine State Retirement System to include full
funding to be paid to the system prior to the effective date
22 rather than funding the additional cost through the existing
amortization schedule.'

24
26 **STATEMENT OF FACT**

28 This amendment replaces the 2 constitutional provisions
proposed in the original resolution with one provision that
30 requires funding the Maine State Retirement System on an
actuarially sound basis. The amendment also changes the proposed
32 referendum question and adds a fiscal note.