

MAINE STATE LEGISLATURE

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DATE: 3/18/94

(Filing No. H-867)

AGING, RETIREMENT & VETERANS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1362, L.D. 1841, Bill, "An Act to Create Retirement Alternatives"

Amend the bill in section 1 by striking out all of the first paragraph (page 1, lines 26 to 40 in L.D.) and inserting in its place the following:

'Sec. 1. Committee to Create Retirement Alternatives; creation. The Committee to Create Retirement Alternatives, referred to in this Act as the "committee," is established. The committee consists of 11 members appointed by the Governor subject to review by the Joint Standing Committee on Aging, Retirement and Veterans and confirmation by the Legislature. Five of the members must be appointed from nominations provided to the Governor by the 5 unions representing state employees and teachers participating in the Maine State Retirement System. Five of the members must be appointed to represent the perspective of the employer. Each side has one vote and 2 votes are required to take affirmative action on all official actions of the committee. The final member must be appointed to represent the perspective of the public and serves as nonvoting chair of the committee. The member representing the public must have previous experience with a public or private pension system or have current working knowledge of standard pension administration and management practices.'

Further amend the bill by striking out all of section 2 and inserting in its place the following:

COMMITTEE AMENDMENT

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2 'Sec. 2. Duties and responsibilities. The committee shall, at a
4 minimum, develop a comprehensive plan for changing the retirement
6 benefits provided to state employees, including members of the
8 special plans, and teachers in accordance with the
10 recommendations of the Committee to Create Retirement
12 Alternatives as specified in this Act. This recommended plan
14 must be presented to the Governor and the Legislature by January
16 1, 1996 for consideration during the Second Regular Session of
18 the 117th Legislature.'

12 Further amend the bill in section 3 in subsection 1 by
14 striking out all of the 3rd sentence (page 2, lines 21 to 24 in
16 L.D.).

16 Further amend the bill in section 3 by inserting after
18 subsection 3 the following:

20 '4. The proposed legislation must include changes necessary
22 to address any inequities identified in the special plans.'

22 Further amend the bill by inserting after section 6 the
24 following:

26 'Sec. 7. Appropriation. The following funds are appropriated
28 from the General Fund to carry out the purposes of this Act.

28 1993-94 1994-95

30 LEGISLATURE

32 Committee to Create Retirement
34 Alternatives

34	Personal Services	\$110	\$660
36	All Other	600	103,600

38 Provides funds for the
40 Committee to Create
42 Retirement Alternatives for
44 the per diem and expenses of
46 the public member, to
contract with an independent
actuary and for miscellaneous
committee expenses.

46 LEGISLATURE
48 TOTAL

\$710	\$104,260'
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COMMITTEE AMENDMENT "A" to H.P. 1362, L.D. 1841

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

FISCAL NOTE

1993-94 1994-95

APPROPRIATIONS/ALLOCATIONS

General Fund \$710 \$104,260

The Legislature will require additional General Fund appropriations of \$710 and \$104,260 in fiscal years 1993-94 and 1994-95, respectively, for the expenses of the Committee to Create Retirement Alternatives. These expenses include the per diem and travel of the public member of the committee, the cost to contract with an independent actuary and miscellaneous costs for printing, postage and photocopying. The Legislature also will require an appropriation in fiscal year 1995-96, estimated to be approximately \$50,000, for continuing committee expenses.

The additional costs to provide assistance to the Committee to Create Retirement Alternatives can be absorbed by the Maine State Retirement System, the Department of Administrative and Financial Services, the Department of the Attorney General and the State Planning Office utilizing existing budgeted resources.

The Legislature will incur some minor additional costs to prepare legislation for the committee. These costs can be absorbed within the Legislature's existing budgeted resources.

STATEMENT OF FACT

This amendment increases the membership of the Committee to Create Retirement Alternatives from 7 to 11 and makes the public representative a nonvoting member. The amendment provides that the 5 labor members have one vote, the 5 management members have one vote and 2 votes are required for action by the committee. The amendment also requires the committee to consider changes to the special plans to address any inequities that are identified. The amendment removes an unnecessary and potentially confusing sentence and adds a fiscal note.

COMMITTEE AMENDMENT