

MAINE STATE LEGISLATURE

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H. of S.

L.D. 298

DATE: 4-9-97

(Filing No. H-176)

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LABOR

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 234, L.D. 298, Bill, "An Act to Establish the Administrative Operating Budget for the Maine State Retirement System for the Fiscal Year Ending June 30, 1998"

Amend the bill by striking out all of sections 1 and 2 and inserting in their place the following:

Sec. 1. Allocation of funds. Administrative operating expenses of the Maine State Retirement System for the fiscal year ending June 30, 1998 must be paid from the system's expense fund in accordance with the following schedule.

1997-98

MAINE STATE RETIREMENT SYSTEM

Personal Services	\$4,883,864
All Other	2,569,350

**MAINE STATE RETIREMENT SYSTEM
TOTAL**

\$7,453,214

Sec. 2. Attribution of costs. The expenses identified in section 1 of this Act are attributed as follows.

1997-98

General Fund	\$4,530,063
Non-General Fund	1,651,706

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 234, L.D. 298

Participating Local District and Other	1,271,445
TOTAL	<u>\$7,453,214'</u>

Further amend the bill by inserting after section 3 the following:

Sec. 4. Collective bargaining agreements approval. As required by the Maine Revised Statutes, Title 5, section 17103, subsection 14, collective bargaining agreements covering fiscal year 1997-98 to fiscal year 1999-2000 between the Maine State Retirement System and the Maine State Employees Association for the retirement system's administrative services, professional-technical and supervisory bargaining units are approved. The allocations made in section 1 of this Act and the attributions made in section 2 of this Act include the amounts required to fund the collective bargaining agreements in fiscal year 1997-98. The amounts required to fund the collective bargaining agreements in fiscal year 1998-99 must be included in the retirement system's administrative operating budget for that fiscal year and be approved by the Legislature. Amounts required to fund the collective bargaining agreements in fiscal year 1999-2000 are subject to a specific appropriation request to be submitted to the 119th Legislature for review and approval.

Sec. 5. Authorization to expend retirement system reserve administrative operating funds.

1. Fiscal year 1997-98 reserve funds. Of the amount authorized to be expended in section 1 of this Act, \$500,000 for the administrative costs of the retirement system associated with the teachers' retirement program must be provided from the system's reserve administrative operating funds and \$131,251 to fund the system's collective bargaining agreements in fiscal year 1997-98 must be provided from the system's reserve administrative operating funds.

2. Administrative records automation project. In addition to the amount authorized to be expended in section 1 of this Act, the retirement system is authorized to expend from its reserve administrative operating funds up to \$1,200,000 for the purpose of establishing and operating a project, staffed on a temporary basis, for the primary purposes of becoming better prepared to meet potential administrative impacts that may result from decisions of the federal courts in Parker v. Wakelin and Dzialo v. Perrier and of improving and expediting the retirement system's long-term program to automate its data receipt, retention, retrieval and processing operations.'

COMMITTEE AMENDMENT "A" to H.P. 234, L.D. 298

2 Further amend the bill by inserting at the end before the
summary the following:

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FISCAL NOTE

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8 This bill establishes the administrative operating budget
for the Maine State Retirement System for fiscal year 1997-98 in
the amount of \$7,453,214. Eighty-three percent of this amount,
10 \$6,181,769, is paid by the State with the General Fund's share
estimated at 61% or \$4,530,063. The fiscal year 1998-99 current
12 services budget as enacted by the Legislature includes funds
sufficient for the State's share of the system's operating costs.

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16 The authorization to expend up to \$1,200,000, available in
reserve administrative operating funds, will reduce the reserve
balance that otherwise could have been applied to reduce the
18 employer contribution rate paid by the State and participating
local districts for the administrative costs of the retirement
20 system.'

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SUMMARY

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26 This amendment increases the allocation of funds to the
Maine State Retirement System for administrative operating
expenses by \$131,251 in fiscal year 1997-98. That is the amount
28 necessary to fund the recently ratified collective bargaining
agreement with the system's administrative services,
30 professional-technical and supervisory employees during that
year. The funds are authorized to be spent from excess
32 administrative operating funds. The amendment also authorizes
the use of \$500,000 in reserve administrative operating funds to
34 reduce General Fund charges for administrative expenses
attributable to the teachers' retirement program in fiscal year
36 1997-98. The amendment also authorizes the retirement system to
expend up to \$1,200,000 in reserve administrative operating funds
38 on a temporary project to automate member records and files.