

MAINE STATE LEGISLATURE

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H. of S.

L.D. 32

DATE: 3-26-03

(Filing No. H-55)

LABOR

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STATE OF MAINE HOUSE OF REPRESENTATIVES 121ST LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 39, L.D. 32, Bill, "An Act to Provide a 5% Increase in the State's Contribution for Insurance for Retired Teachers"

Amend the bill by inserting after section 2 the following:

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

Retired Teachers' Health Insurance 0854

Initiative: Appropriates funds to increase the State's contribution from 40% to 45% beginning July 1, 2004.

Table with 3 columns: General Fund, 2003-04, 2004-05. Rows include All Other and General Fund Total.

SUMMARY

This amendment adds an appropriation section to the bill.

FISCAL NOTE REQUIRED (See attached)

COMMITTEE AMENDMENT

**121st Maine Legislature
Office of Fiscal and Program Review**

**LD 32**

**An Act to Provide a 5% Increase in the State's Contribution for
Insurance for Retired Teachers**

LR 0034(02)**Fiscal Note for Bill as Amended by Committee Amendment****Committee: Labor****Fiscal Note Required: Yes****Fiscal Note**

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$2,179,083	\$2,765,256	\$3,509,110
Appropriations/Allocations				
General Fund	\$0	\$2,179,083	\$2,765,256	\$3,509,110

Fiscal Detail and Notes

This bill includes a General Fund appropriation of \$2,179,083 in fiscal year 2004-05 for the Retired Teachers' Health Insurance program within the Department of Education to fund the increase in the State's contribution from 40% to 45% beginning July 1, 2004. The costs reflected above assume the State's contribution for health insurance for retired teachers increases from 35% to 40% effective July 1, 2003. The Governor's proposed Current Services budget for the 2004-2005 biennium postpones the July 1, 2003 increase until July 1, 2005. If that proposal is approved by the Legislature, the cost of this measure will increase by an additional \$1,713,059 in fiscal year 2003-04 and \$2,179,083 in fiscal year 2004-05. Projections for fiscal year 2005-06 and fiscal year 2006-07 assume an average increase in costs of 17.5% per year and enrollment growth of 8% per year based on estimates provided by the Division of Employee Health and Benefits.