

# MAINE STATE LEGISLATURE

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Date: 4/12/17

Report A

(Filing No. H- 41 )

**EDUCATION AND CULTURAL AFFAIRS**

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**STATE OF MAINE**

**HOUSE OF REPRESENTATIVES**

**128TH LEGISLATURE**

**FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 370, L.D. 526, Bill, "An Act To Increase the State Share of the Cost of Health Insurance for Retired Teachers"

Amend the bill by adding after section 1 the following:

'Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**EDUCATION, DEPARTMENT OF**

**Retired Teachers' Health Insurance 0854**

Initiative: Provides funds to increase the State's contribution towards the cost of health insurance for retired teachers from 45% to 50% for fiscal years 2017-18 and 2018-19.

<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
All Other	\$3,430,082	\$3,686,307
<b>GENERAL FUND TOTAL</b>	<u>\$3,430,082</u>	<u>\$3,686,307</u>

**SUMMARY**

This amendment is the majority report of the committee. The amendment adds an appropriations and allocations section to the bill.

**FISCAL NOTE REQUIRED**

(See attached)

**COMMITTEE AMENDMENT**



# 128th MAINE LEGISLATURE

LD 526

LR 1991(03)

## An Act To Increase the State Share of the Cost of Health Insurance for Retired Teachers

Fiscal Note for Bill as Amended by Committee Amendment *A (H-41)*  
 Committee: Education and Cultural Affairs  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
<b>Net Cost (Savings)</b>				
General Fund	\$3,430,082	\$3,686,307	\$7,934,829	\$8,543,064
<b>Appropriations/Allocations</b>				
General Fund	\$3,430,082	\$3,686,307	\$7,934,829	\$8,543,064

### Fiscal Detail and Notes

This bill includes General Fund appropriations of \$3,430,082 in fiscal year 2017-18 and \$3,686,307 in fiscal year 2018-19 to the Retired Teachers' Health Insurance Program within the Department of Education for the costs associated with removing the cap on the increase in the State's total cost for retired teachers' health insurance premiums enacted in Public Law 2013, c. 368 and increasing the State's contribution to the cost of health insurance for retired teachers from 45% to 50% from July 1, 2017 to June 30, 2019.

This legislation also requires the State's share to increase from 50% to 55% from July 1, 2019 to June 30, 2021 and then increase again to 60% after June 30, 2021. The cost of these increases is estimated to be \$7,934,829 in fiscal year 2019-20, \$8,543,064 in fiscal year 2020-21 and \$13,869,703 in fiscal year 2021-22.

The Office of Fiscal and Program Review utilized data and assumptions provided in the State and Teachers Retiree Healthcare Plan, June 30, 2016 Actuarial Valuation to estimate the cost of this legislation. The total cost of this provision over time will depend on actual health premium cost inflation and the numbers of retired teachers in the future.