

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SMG
R O U S

L.D. 601

Date: 4-21-17

(Filing No. H-73)

MAJORITY
EDUCATION AND CULTURAL AFFAIRS

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 417, L.D. 601, Bill, "An Act To Return the Normal Cost of Teacher Retirement to the State"

Amend the bill by inserting after section 8 the following:

'Sec. 9. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools 0308

Initiative: Transfers funding for the State's contribution to the normal cost of teacher retirement from the General Purpose Aid for Local Schools program to the Teacher Retirement program.

GENERAL FUND

All Other

2017-18	2018-19
(\$23,030,919)	(\$24,189,936)

GENERAL FUND TOTAL

(\$23,030,919) (\$24,189,936)

Teacher Retirement 0170

Initiative: Provides funding as a result of the State's contribution to the normal cost of teacher retirement increasing to 100%.

GENERAL FUND

All Other

2017-18	2018-19
\$22,243,151	\$22,329,171

GENERAL FUND TOTAL

\$22,243,151 \$22,329,171

Teacher Retirement 0170

COMMITTEE AMENDMENT

1 Initiative: Transfers funding for the State's contribution to the normal cost of teacher
2 retirement from the General Purpose Aid for Local Schools program to the Teacher
3 Retirement program.

4	GENERAL FUND	2017-18	2018-19
5	All Other	\$23,030,919	\$24,189,936
6			
7	GENERAL FUND TOTAL	<u>\$23,030,919</u>	<u>\$24,189,936</u>

8	EDUCATION, DEPARTMENT OF		
9	DEPARTMENT TOTALS	2017-18	2018-19
10			
11	GENERAL FUND	\$22,243,151	\$22,329,171
12			
13	DEPARTMENT TOTAL - ALL FUNDS	<u>\$22,243,151</u>	<u>\$22,329,171</u>
14			

15 **SUMMARY**

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

18 **FISCAL NOTE REQUIRED**

19 **(See attached)**

**128th MAINE LEGISLATURE****LD 601****LR 1730(02)****An Act To Return the Normal Cost of Teacher Retirement to the State**

Fiscal Note for Bill as Amended by Committee Amendment *A (H-73)*
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
Net Cost (Savings)				
General Fund	\$22,243,151	\$22,329,171	\$22,329,171	\$22,329,171
Appropriations/Allocations				
General Fund	\$22,243,151	\$22,329,171	\$22,329,171	\$22,329,171

Fiscal Detail and Notes

Public Law 2013, c. 368 enacted legislation that shifted the responsibility for funding the normal cost of teacher retirement from the State to local school administrative units with the State contributing a percentage of the cost as part of its contribution to the total cost of Pre-K-12 public education through the General Purpose Aid for Local Schools program (GPA). This legislation proposes to repeal that law and return the responsibility for fully funding the normal cost component of teachers' retirement back to the State. The net General Fund cost of this proposal is \$22,243,151 in fiscal year 2017-18 and \$22,329,171 in fiscal year 2018-19.

This bill includes General Fund appropriations of \$45,274,070 in fiscal year 2017-18 and \$46,519,107 in fiscal year 2018-19 to the Teacher Retirement program, within the Department of Education as a result of the State being required to fund 100% of the normal cost of teacher retirement.

This bill also includes General Fund deappropriations of \$23,030,919 in fiscal year 2017-18 and \$24,189,936 in fiscal year 2018-19 to the GPA program, within the Department of Education, to remove the State's share of the normal cost of teacher retirement, estimated to be 50.87 % in fiscal year 2017-18 and 52.00% in fiscal year 2018-19.