

MAINE STATE LEGISLATURE

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JIM
ROPS

L.D. 427

Date: 3/18/19 Majority

(Filing No. H- 26)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 336, L.D. 427, Bill, "An Act To Require the State To Fund Teacher Retirement"

Amend the bill by adding after section 9 the following:

Sec. 10. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools 0308

Initiative: Transfers funding representing the state share of the normal cost component of teacher retirement from the General Purpose Aid for Local Schools program to the Teacher Retirement program due to the State's assuming 100% responsibility for the cost.

GENERAL FUND	2019-20	2020-21
All Other	(\$25,021,689)	(\$28,305,582)
GENERAL FUND TOTAL	<u>(\$25,021,689)</u>	<u>(\$28,305,582)</u>

Teacher Retirement 0170

Initiative: Transfers funding representing the state share of the normal cost component of teacher retirement from the General Purpose Aid for Local Schools program to the Teacher Retirement program due to the State's assuming 100% responsibility for the cost.

GENERAL FUND	2019-20	2020-21
All Other	\$25,021,689	\$28,305,582
GENERAL FUND TOTAL	<u>\$25,021,689</u>	<u>\$28,305,582</u>

Teacher Retirement 0170

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to H.P. 336, L.D. 427

1 Initiative: Provides additional funds for the normal cost component of teacher retirement
2 due to the State's assuming 100% responsibility for the cost.

3	GENERAL FUND	2019-20	2020-21
4	All Other	\$25,065,606	\$23,159,113
5			
6	GENERAL FUND TOTAL	<u>\$25,065,606</u>	<u>\$23,159,113</u>

7	EDUCATION, DEPARTMENT OF		
8	DEPARTMENT TOTALS	2019-20	2020-21
9			
10	GENERAL FUND	\$25,065,606	\$23,159,113
11			
12	DEPARTMENT TOTAL - ALL FUNDS	<u>\$25,065,606</u>	<u>\$23,159,113</u>
13			

14 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
15 section number to read consecutively.

16 **SUMMARY**

17 This amendment, which is the majority report of the committee, adds an
18 appropriations and allocations section.

19 **FISCAL NOTE REQUIRED**

20 (See attached)



129th MAINE LEGISLATURE

LD 427

LR 338(02)

An Act To Require the State To Fund Teacher Retirement

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-20)

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$25,065,606	\$23,159,113	\$23,159,113	\$23,159,113
Appropriations/Allocations				
General Fund	\$25,065,606	\$23,159,113	\$23,159,113	\$23,159,113

Fiscal Detail and Notes

Prior to enactment of Public Law 2013, chapter 368, the State paid 100% of the normal cost component of teacher retirement. That law included language requiring the State and local education units to share in the cost of funding the normal cost component of teacher retirement beginning in fiscal year 2013-14. This legislation proposes to return the full cost back to the State.

As part of implementing the law passed in 2013, approximately 50% of the amount appropriated for the total normal cost component of teacher retirement in fiscal year 2013-14 and fiscal year 2014-15 was transferred from the Teacher Retirement program to the General Purpose Aid for Local Schools (GPA) program and 50% was deappropriated from the Teacher Retirement program and returned to the unappropriated surplus of the General Fund.

The total cost of the normal cost component of teacher retirement in fiscal years 2019-20 and 2020-21 is \$50,087,295 and \$51,464,695, respectively. In order to return the responsibility of fully funding the normal cost component to the State, this bill includes General Fund appropriations of \$25,065,606 in fiscal year 2019-20 and \$23,159,113 in fiscal year 2020-21 to the Teacher Retirement program within the Department of Education. This bill also includes additional General Fund appropriations of \$25,021,689 in fiscal year 2019-20 and \$28,305,582 in fiscal year 2002-21 to the Teacher Retirement program and a corresponding deappropriation from GPA in order to transfer the State's share of the cost already funded in GPA.