

# MAINE STATE LEGISLATURE

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(Filing No. H- 762)

**EDUCATION AND CULTURAL AFFAIRS**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ A ” to H.P. 1136, L.D. 1773, “An Act to Increase the State's Share of the Cost of Health Insurance for Retired Teachers”

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

**'Sec. 1. 20-A MRSA §13451, sub-§3, ¶E**, as amended by PL 2023, c. 412, Pt. OOOOO, §2, is further amended to read:

E. Fifty-five percent from July 1, 2021 to June 30, 2023; ~~and~~

**Sec. 2. 20-A MRSA §13451, sub-§3, ¶F**, as enacted by PL 2023, c. 412, Pt. OOOOO, §3, is amended to read:

F. Sixty percent ~~after~~ from July 1, 2023; to June 30, 2024; and

**Sec. 3. 20-A MRSA §13451, sub-§3, ¶G** is enacted to read:

G. Sixty-five percent after July 1, 2024.

**Sec. 4. Additional amount for fiscal year 2024-25.** Notwithstanding the Maine Revised Statutes, Title 5, section 1536 and Title 20-A, section 13451, subsection 3, paragraphs F and G, after the transfers pursuant to Title 5, sections 1507, 1511 and 1519, the State Controller shall transfer at the close of fiscal year 2023-24 an amount equal to 10% of the amount available from the unappropriated surplus of the General Fund after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made to a Retired Teachers' Health Insurance program, Other Special Revenue Funds account, for the purpose of increasing the percentage of a retired teacher's share of the premium for group accident and sickness or health insurance that the State is required to pay.

**Sec. 5. Appropriations and allocations.** The following appropriations and allocations are made.

**EDUCATION, DEPARTMENT OF  
Retired Teachers' Health Insurance 0854**

**COMMITTEE AMENDMENT**

ROS

1 Initiative: Provides ongoing funds to increase the State's contribution toward the retired  
 2 teachers' share of health insurance premiums from 60% to 65% beginning in fiscal year  
 3 2024-25.

4	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
5	All Other	\$0	\$3,647,589
6			
7	<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$3,647,589</u>

8 **Retired Teachers' Health Insurance 0854**

9 Initiative: Allocates funds for the purpose of increasing the percentage of the retired  
 10 teachers' share of the premium for group accident and sickness or health insurance that the  
 11 State is required to pay.

12	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
13	All Other	\$0	\$500
14			
15	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$0</u>	<u>\$500</u>

17 **EDUCATION, DEPARTMENT OF**  
 18 **DEPARTMENT TOTALS**

19		<b>2023-24</b>	<b>2024-25</b>
20	<b>GENERAL FUND</b>	\$0	\$3,647,589
21	<b>OTHER SPECIAL REVENUE FUNDS</b>	\$0	\$500
22			
23	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$0</u>	<u>\$3,648,089</u>

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

27 **SUMMARY**

28 This amendment requires the State to pay 65% of a retired teacher's share of the  
 29 premium for group accident and sickness or health insurance after July 1, 2024. It also  
 30 requires that 10% of the amount available from the unappropriated surplus of the General  
 31 Fund at the close of fiscal year 2023-24, after certain transfers, be used to increase the  
 32 percentage of a retired teacher's share of the premium for group accident and sickness or  
 33 health insurance that the State is required to pay.

34 **FISCAL NOTE REQUIRED**

35 (See attached)



# 131st MAINE LEGISLATURE

LD 1773

LR 1812(02)

## An Act to Increase the State's Share of the Cost of Health Insurance for Retired Teachers

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-762)  
 Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

### Fiscal Note

Reduces distribution to final priority transfers

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$3,647,589	\$3,809,906	\$3,979,447
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$3,647,589	\$3,809,906	\$3,979,447
Other Special Revenue Funds	\$0	\$500	\$500	\$500

### Fiscal Detail and Notes

This bill includes ongoing General Fund appropriations of \$3,647,589 in fiscal year 2024-25 to the Retired Teachers' Health Insurance program within the Department of Education for the costs associated with increasing the State's contribution to the retired teachers' cost of health insurance premiums from 60% to 65% effective July 1, 2024. The estimated cost of this bill assumes an average increase in premiums of 4.45% per year. The total cost of this provision over time will depend on actual health premium cost inflation and the number of retired teachers in the future.

Current law requires that, at the close of any fiscal year, balances remaining in the unappropriated surplus of the General Fund be distributed as part of the so called "cascade". This bill also requires that 10% of the amount available from the unappropriated surplus of the General Fund at the end of fiscal year 2023-24 as the 4th priority after transfers to the Contingent Account, the Loan Insurance Reserve within the Finance Authority of Maine and the Retiree Health Insurance Internal Service Fund be used to increase the percentage of a retired teacher's share of the premium for group accident and sickness or health insurance that the State is required to pay. This will reduce the amount of funding available to be distributed to the remaining final priorities, including the Maine Budget Stabilization Fund and the Highway and Bridge Capital program. As the amount of funds that will be available for distribution through the "cascade" is not known at this time, it is not known how much, if any, will be available for this purpose. This bill includes base Other Special Revenue Funds allocations of \$500 per year beginning in fiscal year 2024-25 to a newly established Retired Teachers' Health Insurance program, Other Special Revenue Funds account to allow expenditures in the event funds are available to be transferred.