

Sec. A-23. Appropriations and allocations.

The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

Retired Teachers Group Life Insurance Z033

Initiative: BASELINE BUDGET

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$2,958,524	\$3,099,054	\$3,099,054	\$3,099,054
GENERAL FUND TOTAL	\$2,958,524	\$3,099,054	\$3,099,054	\$3,099,054

Justification:

Funding for group life insurance benefits for Maine's retired teachers.

Retired Teachers Group Life Insurance Z033

Initiative: Provides funding for group life insurance for retired teachers.

Ref. #: 1134

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	\$340,946	\$560,946
GENERAL FUND TOTAL	\$340,946	\$560,946

Justification:

Other Post Employment Benefit requirements for retiree health insurance have been actuarially calculated for this group.

**RETIRED TEACHERS GROUP LIFE INSURANCE Z033
PROGRAM SUMMARY**

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$2,958,524	\$3,099,054	\$3,440,000	\$3,660,000
GENERAL FUND TOTAL	\$2,958,524	\$3,099,054	\$3,440,000	\$3,660,000

Retired Teachers' Health Insurance 0854

Initiative: BASELINE BUDGET

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000
GENERAL FUND TOTAL	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000

Justification:

This program provides funding for health insurance benefits for Maine's retired teachers.

Retired Teachers' Health Insurance 0854

Initiative: Provides funding for increased retired teachers' health insurance costs.

Ref. #: 1115

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	\$11,000,000	\$20,000,000
GENERAL FUND TOTAL	\$11,000,000	\$20,000,000

Justification:

Retired teachers' health insurance costs are expected to increase in each year of the biennium.

Retired Teachers' Health Insurance 0854

Initiative: Reduces funding to recognize savings from a new actuarial projection of the cost of retired teachers' health insurance and by limiting the State's contribution to fiscal year 2011-12 levels.

Ref. #: 1116

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	(\$5,000,000)	(\$9,000,000)
GENERAL FUND TOTAL	(\$5,000,000)	(\$9,000,000)

Justification:

No justification provided

Retired Teachers' Health Insurance 0854

Initiative: Reduces funding by delaying the date by which funds must be provided to retire the unfunded liability for retiree health benefits for participants in the teacher plan.

Ref. #: 1117 One Time Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	(\$2,000,000)	(\$5,000,000)
GENERAL FUND TOTAL	(\$2,000,000)	(\$5,000,000)

Justification:
No justification provided

**RETIRED TEACHERS' HEALTH INSURANCE 0854
PROGRAM SUMMARY**

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$23,000,000	\$23,000,000	\$27,000,000	\$29,000,000
GENERAL FUND TOTAL	\$23,000,000	\$23,000,000	\$27,000,000	\$29,000,000

Teacher Retirement 0170

Initiative: BASELINE BUDGET

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$146,634,324	\$148,833,838	\$148,833,838	\$148,833,838
GENERAL FUND TOTAL	\$146,634,324	\$148,833,838	\$148,833,838	\$148,833,838

Justification:

The Maine Public Employees Retirement System manages the state share and the employee's payroll deductions to provide retirement benefits for Maine's educators.

Teacher Retirement 0170

Initiative: Provides funding for teacher retirement costs for inflation and general salary increase based upon actuarial estimates from the Maine Public Employees Retirement System.

Ref. #: 1084

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	\$22,139,764	\$28,123,840
GENERAL FUND TOTAL	\$22,139,764	\$28,123,840

Justification:

The expenditure forecast for the FY14-15 biennium for teacher retirement assumes projected teacher salary and wage growth of 3.5% based upon the actuarial assumption for inflation and general salary increase. The required normal cost employer contribution, in dollars, for teacher retirement is based on this salary projection. The required unfunded actuarial liability (UAL) payment, in dollars, for the FY14-15 biennium for teacher retirement is established by the actuarial valuation performed by MainePERS. The sum of these two employer retirement cost components forms the basis for the forecast for teacher retirement in the FY14-15 budget.

Teacher Retirement 0170

Initiative: Reduces funding for the normal cost component of teacher retirement by requiring local education units to participate in funding those costs.

Ref. #: 1085

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	(\$14,449,280)	(\$14,955,005)
GENERAL FUND TOTAL	(\$14,449,280)	(\$14,955,005)

Justification:

No justification provided

Teacher Retirement 0170

Initiative: Transfers funding representing the state share of the retirement normal cost component from the Teacher Retirement program to the General Purpose Aid for Local Schools program.

Ref. #: 1086

Committee Vote: _____

AFA Vote: _____

GENERAL FUND

All Other

2013-14	2014-15
(\$14,449,280)	(\$14,955,005)

GENERAL FUND TOTAL

(\$14,449,280)	(\$14,955,005)
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Justification:

No justification provided

TEACHER RETIREMENT 0170

PROGRAM SUMMARY

GENERAL FUND

All Other

	History 2011-12	History 2012-13	2013-14	2014-15
	\$146,634,324	\$148,833,838	\$142,075,042	\$147,047,668
GENERAL FUND TOTAL	\$146,634,324	\$148,833,838	\$142,075,042	\$147,047,668

EDUCATION, DEPARTMENT OF

DEPARTMENT TOTALS

2013-14

2014-15

GENERAL FUND

\$172,515,042

\$179,707,668

DEPARTMENT TOTAL - ALL FUNDS

\$172,515,042

\$179,707,668

Sec. A-64. Appropriations and allocations. The following appropriations and allocations are made.

RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES

Retirement System - Retirement Allowance Fund 0085

Initiative: BASELINE BUDGET

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$489,405	\$529,482	\$529,482	\$529,482
GENERAL FUND TOTAL	\$489,405	\$529,482	\$529,482	\$529,482

Justification:

Title 2, M.R.S.A. §1-A establishes retirement benefits for Maine Governors and their surviving spouses and directs the Maine Public Employees Retirement System to estimate the appropriation necessary to fund benefits payable during the upcoming biennium. Under the provisions of Title 4, M.R.S.A. §1402, the system is also responsible for the payment of retirement benefits to judges who retired prior to 1984 and their surviving spouses. Title 4, M.R.S.A. §1403 directs the system to estimate the appropriation necessary to fund benefits payable during the upcoming biennium.

Retirement System - Retirement Allowance Fund 0085

Initiative: Adjusts funding for benefits for retired Governors and surviving spouses under the Maine Revised Statutes, Title 2, section 1-A.

Ref. #: 2466

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	(\$49,789)	(\$35,440)
GENERAL FUND TOTAL	(\$49,789)	(\$35,440)

Justification:

No justification provided

Retirement System - Retirement Allowance Fund 0085

Initiative: Provides funding for benefits for pre-1984 judges and surviving spouses under Maine Revised Statutes, Title 4, section 1403.

Ref. #: 2467

Committee Vote: _____

AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	(\$10,613)	\$22,800
GENERAL FUND TOTAL	(\$10,613)	\$22,800

Justification:

No justification provided

**RETIREMENT SYSTEM - RETIREMENT ALLOWANCE FUND 0085
PROGRAM SUMMARY**

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$489,405	\$529,482	\$469,080	\$516,842
GENERAL FUND TOTAL	\$489,405	\$529,482	\$469,080	\$516,842

RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES

DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$469,080	\$516,842
DEPARTMENT TOTAL - ALL FUNDS	\$469,080	\$516,842

Sec. A-69. Appropriations and allocations.

The following appropriations and allocations are made.

TREASURER OF STATE, OFFICE OF

Debt Service - Treasury 0021

Initiative: BASELINE BUDGET

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$95,166,649	\$100,649,386	\$100,649,386	\$100,649,386
GENERAL FUND TOTAL	\$95,166,649	\$100,649,386	\$100,649,386	\$100,649,386

FEDERAL EXPENDITURES FUND ARRA	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$295,737	\$295,737	\$295,737	\$295,737
FEDERAL EXPENDITURES FUND ARRA TOTAL	\$295,737	\$295,737	\$295,737	\$295,737

Justification:

The requested appropriation will provide adequate funding for general fund debt service costs based on the following assumptions:

- Fiscal Year '13 Bond Issue: \$40,152,809 at 4.00%
- Fiscal Year '14 Bond Issue: \$45,097,500 at 4.50%
- Fiscal Year '15 Bond Issue: \$19,327,500 at 5.00%
- Annual Line of Credit (LOC) at \$150 million
- Bond Anticipation Notes (BAN) issued 3x a year.
- New authorizations of \$200 million GF bonds, issued \$75 million in FY 10, \$75 million in FY 11, and \$50 million in FY 12.

	FY'14	FY'15
Debt service on current debt principal	\$67,445,000	\$54,375,000
Debt service on current debt interest	\$10,157,578	\$ 7,971,839
LOC interest on \$150 million at 2.5% & 3%	\$ 1,562,500	\$ 1,875,000
BAN interest at 3% & 3.5%	\$ 676,463	\$ 338,231
Baseline share of projected debt on FY'09 issue	\$10,327,029	\$19,425,123
Bond proceed earnings transfer	(\$901,000)	(\$901,000)
ST Baseline Appropriation	\$89,026,467	\$89,026,467
Projected debt service on FY'09 issue	\$6,939,771	\$6,547,118
Projected debt service on FY'10 issue	\$1,875,000	\$11,250,000
New authorizations		
Total Requested Appropriation	\$97,841,238	\$106,823,585

Debt Service - Treasury 0021

Initiative: Adjusts debt service funding levels.

Ref. #: 2518 One Time Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2013-14	2014-15
All Other	(\$15,188,452)	(\$24,093,398)
GENERAL FUND TOTAL	(\$15,188,452)	(\$24,093,398)

Justification:

Adjusts funding levels for the debt service program based upon current debt service schedule.

**DEBT SERVICE - TREASURY 0021
PROGRAM SUMMARY**

GENERAL FUND	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$95,166,649	\$100,649,386	\$85,460,934	\$76,555,988
GENERAL FUND TOTAL	\$95,166,649	\$100,649,386	\$85,460,934	\$76,555,988

FEDERAL EXPENDITURES FUND ARRA	History 2011-12	History 2012-13	2013-14	2014-15
All Other	\$295,737	\$295,737	\$295,737	\$295,737
FEDERAL EXPENDITURES FUND ARRA TOTAL	\$295,737	\$295,737	\$295,737	\$295,737

TREASURER OF STATE, OFFICE OF

DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$85,460,934	\$76,555,988
FEDERAL EXPENDITURES FUND ARRA	\$295,737	\$295,737
DEPARTMENT TOTAL - ALL FUNDS	\$85,756,671	\$76,851,725

PART H

Sec. H-1. 5 MRSA §285, sub-§7, ¶K as enacted by PL 2011, c. 380, Pt. V, §1, is amended to read:

K. The total premium for active and retired state employee health insurance is capped at the fiscal year 2010-11 funding level for the fiscal years ending June 30, 2012, ~~and~~ June 30, 2013, June 30, 2014 and June 30, 2015. The total premium for fiscal years ending after June 30, 2015 shall be limited to no more than the Consumer Price Index (CPI) plus 3%.

Sec. H-2. 5 MRSA §286-B, sub-§2, as amended by PL 2011, c. 380, Pt. Y, §1, is further amended to read:

Annually, beginning with the fiscal year starting July 1, ~~2013~~ 2015, the Legislature shall appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded liability for retiree health benefits for eligible participants in the teacher plan. The unfunded liability referred to in this section is that determined by the Department of Administrative and Financial Services, Office of the State Controller's actuaries and certified by the Commissioner of Administrative and Financial Services as of June 30, 2006.

Sec. H-3. 20 -A MRSA §13451, sub-§3, last ¶, as amended PL 2011, c. 540, §2 and affected by §3 is further amended to read:

For the fiscal years ending June 30, 2012, ~~and~~ June 30, 2013, June 30, 2014 and June 30, 2015 the State's total cost for retired teachers' health insurance premiums is capped at the fiscal year 2010-11 level. The total premium for fiscal years ending after June 30, 2015 shall be limited to no more than the Consumer Price Index (CPI) plus 3%. The providers of the health insurance benefit plans for retired teachers must submit their premium costs, plan for ensuring adherence with this statute and any related data as requested by the State's Executive Director of Health Insurance.

Sec. H-4. Calculation and transfer of funds; retiree health insurance. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each account for departments and agencies statewide that have occurred as a result of the retiree health provisions authorized in this Part. The State Budget Officer shall transfer the savings by financial order upon approval of the Governor on or before January 15, 2014. These transfers are considered adjustments to appropriations and allocations in fiscal years 2013-14 and 2014-15.

Sec. H-5. Calculation and transfer; health insurance. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A

of this Act that applies against each Highway Fund account for all departments and agencies from savings associated with health insurance changes and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations and allocations in fiscal year 2013-14 and fiscal year 2014-15.

SUMMARY

PART H

This Part does the following:

It caps the State's contribution for active and retired state employee health insurance at fiscal year 2010-11 levels and limits the premium for years beginning after June 30, 2015 to no more than the Consumer Price Index plus 3%.

It caps the State's total cost for retired health insurance premiums at fiscal year 2010-11 levels and limits the premium for years beginning after June 30, 2015 to no more than the Consumer Price Index plus 3%.

It requires providers of the health insurance benefit plans for retired teachers to submit their premium costs, plan for ensuring adherence with the statutory change and any related data as requested by the State's Executive Director of Health Insurance.

It delays the date that the Legislature must begin to appropriate funds to retire the unfunded liability for retiree health benefits for eligible participants in the teacher plan until July 1, 2015.

It requires the State Budget Officer to calculate the savings in Part A of this bill that applies against each account as a result of the changes and to distribute those changes by financial order upon the recommendation of the Governor as adjustments to appropriations and allocations.