

Drafter: RBT  
Date: 5/13/09

**PROPOSED AMENDMENT TO THE GOVERNOR'S 2010-2011 BIENNIAL  
BUDGET**

**LD 353**

**Sponsor: Rep. Millett**

**Amend the bill by inserting a new Part as follows:**

**Sec. 1. 20-A MRS §15689-A, sub-§ 19 is enacted to read:**

- 19. Teacher Retirement – Normal Cost Component.** The amounts required to meet the employer's share of the normal cost component of teacher retirement costs in fiscal year 2010-11 must be allocated to the Maine Public Employees Retirement System. Notwithstanding any other provision of law, the Department shall not include this subsection in the calculation of the total state and local cost of essential programs and services.
- 20. Teacher Retirement – Unfunded Actuarial Liability.** The amounts required to meet the active teachers' share of the unfunded actuarial liability of teacher retirement costs in fiscal year 2010-11 must be allocated to the Maine Public Employees Retirement System. Notwithstanding any other provision of law, the Department shall not include this subsection in the calculation of the total state and local cost of essential programs and services.

**Amend Part KKK-3 of the bill as follows:**

**Sec. 2. 3. Duties.** The commission shall conduct its research and prepare recommendations on streamlining state government programs and service delivery by reviewing, at a minimum, the following:

- A. Current organizational structures and alignment of functions to ensure streamlined and integrated administration and services;
- B. Boards, commissions, councils, advisory councils and any other entities established by state law to determine the continuing need for their existence or current configuration as measured against their operating costs;
- C. Provision of financial management and human resources services, benefits and related functions to recommend improvements in organizational efficiency and cost effectiveness;
- D. The past 2 decades of studies and proposals that evaluated or sought to alter programs and service delivery of the executive, judicial and legislative branches and of other entities established by state law to prioritize and improve government services.

E. Which portion, if any, of the employer's share of teacher retirement costs, including the normal cost component and the unfunded actuarial liability that is currently funded by the State, should be included as part of the total state and local cost of essential programs and services and which portion, if any, should be funded through the Teacher Retirement program account within the Department of Education.

Amend Part A of the bill as follows:

Sec. \_3. Appropriations and Allocations. The following appropriations and allocations are made.

**EDUCATION, DEPARTMENT OF**

**General Purpose Aid for Local Schools 0308**

Initiative: Provides funds for the employer's share of the normal cost component of teacher retirement to be funded within the General Purpose Aid for Local Schools program in fiscal year 2010-11.

<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
All Other	\$0	\$59,783,540
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$59,783,540</b>

**General Purpose Aid for Local Schools 0308**

Initiative: Provides funds for the active teachers' share of the unfunded actuarial liability of teacher retirement to be funded within the General Purpose Aid for Local Schools program in fiscal year 2010-11.

<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
All Other	\$0	\$68,280,790
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$68,280,790</b>

**Teacher Retirement**

Initiative: Reduces funds for the employer's share of the normal cost component of teacher retirement to be funded within the General Purpose Aid for Local Schools program in fiscal year 2010-11.

<b>GENERAL FUND</b>	<b>2009-10</b>	<b>2010-11</b>
All Other	\$0	(\$59,783,540)

GENERAL FUND TOTAL \$0 (\$59,783,540)

**Teacher Retirement**

Initiative: Reduces funds for the active teacher's share of the unfunded actuarial liability of teacher retirement to be funded within the General Purpose Aid for Local Schools program in fiscal year 2010-11.

GENERAL FUND	2009-10	2010-11
All Other	\$0	(\$68,280,790)
GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$68,280,790)</u>

EDUCATION, DEPARTMENT OF DEPARTMENT TOTALS	2009-10	2010-11
GENERAL FUND	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$0</u>

**Summary**

This amendment does the following:

- 1) It transfers funding for the portion of the normal cost and unfunded actuarial liability for teacher retirement related to active teachers from the Teacher Retirement program within the Department of Education to the General Purpose Aid for Local Schools program.
- 2) It establishes the Teacher Retirement – Normal Cost Component and the Teacher Retirement – Unfunded Actuarial Liability as miscellaneous costs within the General Purpose Aid for Local Schools program in fiscal year 2010-11 and requires that the funds must be allocated to the Maine Public Employees Retirement System. It also provides that, notwithstanding any other provision of law, the Department shall not include those subsections in the calculation of the total state and local cost of essential programs and services.
- 3) It requires the Commission to Recommend Streamlining of State Government Programs and Service Delivery to determine, as part of its duties, which portion, if any, of the employer's share of teacher retirement costs, including the normal cost component and the unfunded actuarial liability, should be included as part of the total state and local cost of essential programs and services and which portion, if any, should be funded through the Teacher Retirement program account within the Department of Education.