



128th MAINE LEGISLATURE

LD 601

LR 1730(01)

An Act To Return the Normal Cost of Teacher Retirement to the State

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Stearns of Guilford

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	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.

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

The GPA program, within the Department of Education, will require General Fund deappropriations of \$23,030,919 in fiscal year 2017-18 and \$24,189,936 in fiscal year 2018-19 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.