



129th MAINE LEGISLATURE

LD 178

LR 575(01)

An Act To Increase the State Share of the Cost of Health Insurance for Retired Teachers

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Collings of Portland

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$3,541,465	\$7,340,408	\$11,410,868	\$15,767,566
Appropriations/Allocations				
General Fund	\$3,541,465	\$7,340,408	\$11,410,868	\$15,767,566

Fiscal Detail and Notes

The Retired Teachers' Health Insurance Program within the Department of Education will require General Fund appropriations of \$3,541,465 in fiscal year 2019-20 and \$7,340,408 in fiscal year 2020-21 for the costs associated with removing the cap on the increase in the State's total cost for retired teachers' health insurance premiums enacted in Public Law 2013, c. 368 and increasing the State's contribution to the retired teachers' cost of health insurance premiums from 45% to 50% in fiscal year 2019-20 and from 50% to 55% in fiscal year 2020-21.

This legislation also requires the State's share to increase from 55% in fiscal year 2020-21 to 90% in fiscal year 2027-28. The cumulative cost of the increases over the next 10 years is estimated to be \$237,342,903. The estimated cost of this bill, provided by the Office of Employee Health and Benefits, assumes an average increase in premiums of 3.64% 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.