



130th MAINE LEGISLATURE

LD 1041

LR 579(02)

An Act To Include Certain Mental Health Workers under the 1998 Special Plan for Retirement

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Labor and Housing

Fiscal Note Required: Yes

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$119,590	\$37,382	\$38,579	\$39,812
Appropriations/Allocations				
General Fund	\$119,590	\$37,382	\$38,579	\$39,812
Other Special Revenue Funds	\$13,903	\$28,687	\$29,605	\$30,552

Fiscal Detail and Notes

This legislation adds certain mental health workers employed in the Department of Health and Human Services (DHHS) on October 1, 2021, or hired thereafter, who have a responsibility for providing crisis outreach and crisis services to adults with developmental and intellectual disabilities in a community-based or residential setting, except for an institutional setting, to the 1998 Special Plan and allows the service retirement benefits already earned by those employees under the State Employee and Teacher program to be calculated under the 1998 Special Plan. This bill includes General Fund appropriations totaling \$119,590 in fiscal year 2021-22 and \$37,382 in fiscal year 2022-23 for the cost of this provision. Other Special Revenue Funds allocations of \$13,903 and \$28,687 are also provided in fiscal years 2021-22 and 2022-23, respectively.

Of the total General Fund appropriations included in the bill, \$101,483 is provided on a one-time basis to the Retirement Allowance Fund within the Maine Public Employees Retirement System (MainePERS) for the increase in the unfunded actuarial liability created as a result of the retroactive provision in this bill. Pursuant to the Constitution of Maine, Article IX, Section 18-A, unfunded liabilities may not be created except those that result from experience losses.

Additionally, this bill includes General Fund appropriations totaling \$18,107 in fiscal year 2021-22 and \$37,382 in fiscal year 2022-23 to the Crisis Outreach program and the Developmental Services - Community program within DHHS for the increase in the employer's contribution to the normal cost component and unfunded actuarial liability for those employees that elect to participate in the 1998 Special Plan. This legislation includes a transition provision for those eligible mental health workers hired by DHHS prior to October 1, 2021 which allows them to elect to participate in the 1998 Special Plan by December 31, 2021. An analysis provided by MainePERS identified 33 eligible mental health workers that may elect to participate in the 1998 Special Plan as soon as the option becomes available.

If any of the eligible mental health workers hired by DHHS prior to October 1, 2021 who choose to remain in the regular State Employee and Teacher Plan eventually retire or otherwise vacate their positions, any newly hired direct care workers will be placed in the 1998 Special Plan. The additional cost to DHHS to fill these positions at the higher employer contribution rate is estimated to be between \$2,000 and \$3,000 per position annually. When this additional cost will be incurred and which fund will be impacted cannot be determined at this time.