

**Legislative Report**  
**Crystal Ward, Legislative Chair**

**Election Nov. 7, 2017**

**Question 1: Citizen Initiative**

Do you want to allow a certain company to operate table games and/or slot machines in York County, subject to state and local approval, with part of the profits going to the specific programs described in the initiative?

**Question 2: Citizen Initiative**

Do you want Maine to expand Medicaid to provide healthcare coverage for qualified adults under age 65 with incomes at or below 138% of the federal poverty level, which in 2017 means \$16,643 for a single person and \$22,412 for a family of two?

**Question 3: Bond Issue**

Do you favor a \$105,000,000 bond issue for construction, reconstruction, and rehabilitation of highways and bridges and for facilities or equipment related to ports, harbors, marine transportation, freight and passenger railroads, aviation, transit and bicycle and pedestrian trails, to be used to match an estimated \$137,000,000 in federal and other funds, and for the upgrade of municipal culverts at stream crossings?

**Question 4: Constitutional Amendment**

Do you favor amending the Constitution of Maine to reduce volatility in state pension funding requirements caused by the financial markets by increasing the length of time over which experience losses are amortized from 10 years to 20 years, in line with pension industry standards? (amortized means to pay off, pay back, repay)

**Intent and Content**

This proposal would authorize an amendment to the Constitution of Maine to extend the maximum period of time over which net losses in the market value of the State-funded retirement plans administered by the Maine Public Employees Retirement System must be retired or funded. That period is now 10 years, and this amendment would extend it to 20 years. This will help every retired person!!

The Maine Public Employees Retirement System (known as Maine PERS) is the pension system that provides retirement benefits to all state employees and public-school teachers. Those employees do not contribute to Social Security and do not receive income from Social Security when they retire.

The Constitution requires the State to fund the “normal cost” of all retirement and ancillary benefits provided to system participants annually “on an actuarially sound basis.” If there are net losses in the market value of the retirement system’s investments that would create an “unfunded liability” – i.e., a situation in which the benefits that the system is obligated to pay would exceed the capacity of the fund – then those net losses (referred to as “experience losses”) amortized over a specified period of time must be replenished by the State through general fund appropriations or other means in the state budget. Experience losses are currently amortized over a 10-year period under a constitutional amendment adopted in 1995, when

the retirement plan for state employees and public-school teachers was funded by the state at a much lower level than it is currently. Having a larger state fund means that the obligation to recover market losses over a 10-year period can trigger a much greater dollar effect on the state's annual budget. Under this amendment, the obligation to retire unfunded liabilities caused by such losses would remain the same, but the financial impact on the state's annual budget would be reduced by paying back the net losses over a longer period of time. The change in the amortization period from 10 to 20 years is thus intended to smooth out the effects of volatility in the marketplace in a manner that is consistent with accepted actuarial practices.

**A "YES" vote favors adoption of this constitutional amendment. Please vote YES on the Question 4.**

**GOOD NEWS**

The bill to increase the State's share of Retired Health Insurance from 45% to 60% over five years is being brought back in January 2018 – this is a fairness issue because the state workers now get over 90%. It will also help many retirees that have very low pensions and to help all with the ever-increasing cost of health care. Be ready to call, email, or go to Augusta when I contact you.