



SPONSOR: Sen. Townsend & Sen. Pettyjohn & Rep. Baumbach &  
Rep. Ramone

DELAWARE STATE SENATE  
152nd GENERAL ASSEMBLY

SENATE BILL NO. 175

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO APPROPRIATIONS FOR POST-RETIREMENT HEALTH INSURANCE PREMIUMS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 5544, Title 29 of the Delaware Code by making deletions as shown by strike through and  
2 insertions as shown by underline as follows:

3 § 5544. Actuarial valuations and appropriations.

4 (c)(1) In order to provide a fund for ~~post-retirement~~ post-retirement increases, the State shall include in its annual  
5 appropriation payments equal to 2.33% of covered payroll, subject to the limitations contained in § 5548(a)(2) of this title.  
6 Beginning with the Fiscal Year 1994 budget, .70% of covered payroll shall be appropriated; in Fiscal Year 1995, 1.11% of  
7 covered payroll shall be appropriated; in Fiscal Year 1996, 1.52% of covered payroll shall be appropriated; in Fiscal Year  
8 1997, 1.93% of covered payroll shall be appropriated; in Fiscal Year 1998 and each fiscal year thereafter 2.33% of covered  
9 payroll shall be appropriated. Funds appropriated to implement this subsection shall be deposited into the Post Retirement  
10 Fund established by § 5548 of this title.

11 (2) In order to provide a fund for ~~post-retirement~~ post-retirement health insurance premiums, ~~the State shall~~  
12 ~~include in its annual appropriation payments~~ each annual Budget Act under § 6533 of this title shall appropriate the  
13 sum of the anticipated cost of the State's post-retirement post-retirement health insurance premiums for that year, plus  
14 ~~the greater of 5.00% of the normal cost or the difference of 2.00% of covered payroll less the amount appropriated for~~  
15 ~~the normal cost and unfunded actuarial accrued liability in subsection (b) of this section. Funds appropriated to~~  
16 ~~implement this subsection shall be deposited into~~ at least 1% of the grand total of all General Fund operating budget  
17 appropriations for the prior fiscal year to the OPEB Fund as established by under § 5281 of this title. The sum  
18 appropriated under this paragraph (c)(2) must not exceed the annual required contribution determined by the Board of  
19 Pension Trustees.

20 Section 2. Amend § 6333, Title 29 of the Delaware Code by making deletions as shown by strike through and  
21 insertions as shown by underline as follows:

22 § 6333. Date of completion of estimate review; power of revision.

23 (a) On or before December 15, annually, the Director of the Office of Management and Budget shall ~~have~~  
24 ~~completed~~ complete a review and revision of the estimates of all agencies of the State asking or receiving financial aid.

25 (b) The Director of the Office of Management and Budget may, in making ~~such review,~~ the review under  
26 subsection (a) of this section, revise, by increasing or decreasing, any estimate submitted to the Director of the Office of  
27 Management and Budget, except ~~those estimates~~ of the judiciary and the General Assembly, ~~but where such revision is~~  
28 ~~made~~ Assembly. In the report required under § 6334 of this title, the Director of the Office of Management and Budget  
29 shall indicate ~~it in a report to the Governor, as hereinafter provided,~~ where each revision is made, together with the reasons  
30 for ~~the Office of Management and Budget Director's~~ each revision.

31 (c) The review required under this section shall include the appropriation to the OPEB Fund required under §  
32 5544(c)(2) of this title.

33 Section 3. Amend § 6334, Title 29 of the Delaware Code by making deletions as shown by strike through and  
34 insertions as shown by underline as follows:

35 § 6334. Contents of budget plan to be submitted upon completion of review; zero-based budgeting.

36 (d) ~~{Repealed.}~~ The proposed budget plan under this section shall include the appropriation to the OPEB Fund  
37 required under § 5544(c)(2) of this title.

38 Section 4. Amend § 6335, Title 29 of the Delaware Code by making deletions as shown by strike through and  
39 insertions as shown by underline as follows:

40 § 6335. Changes in budget plan by Governor; submission of proposed budget and Budget Appropriation Bill to  
41 General Assembly.

42 (a)(1) ~~The Governor~~ Governor, upon receipt of the report of the Director of the Office of Management and Budget  
43 under § 6334 of this title, may make such changes in the report as the Governor may deem necessary or desirable in  
44 accordance with the Governor's own best judgment and conclusion and shall submit the budget report as prepared by the  
45 Governor based upon the report of the Director of the Office of Management and Budget to each House of the General  
46 Assembly, on or before February 1 of each ~~year,~~ and at year.

47 (2) At the same time the Governor submits the proposed budget, the Governor shall submit copies of a  
48 tentative bill for all proposed appropriations for the budget, clearly itemized and properly classified for the ensuing  
49 fiscal year. This bill shall be known as the "Budget Appropriation Bill."

50 (3) The Budget Appropriation Bill shall include the appropriation to the OPEB Fund required under §  
51 5544(c)(2) of this title.

52 Section 5. Amend § 6533, Title 29 of the Delaware Code by making deletions as shown by strike through and  
53 insertions as shown by underline as follows:

54 § 6533. Limitation on appropriations.

55 (h) After the end of each fiscal year, the Director of the Office of Management and Budget shall transfer the  
56 appropriation to the OPEB Fund required under § 5544(c)(2) of this title.

#### SYNOPSIS

The Other Post-Employment Benefits Fund (OPEB Fund) is used to pay the State's benefits for post-retirement health insurance under the State employees' pension plan. This Act requires that every year, at least 1% of the grand total of all General Fund operating budget appropriations for the prior fiscal year is appropriated to the OPEB Fund. The total amount of the contributions to the OPEB Fund is not allowed to exceed the annual required contribution, which is actuarially determined by the Board of Pension Trustees.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

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