



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:

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

§ 5544. Actuarial valuations and appropriations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The Budget Appropriation Bill shall include the appropriation to the OPEB Fund required under § 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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