



SPONSOR: Rep. Baumbach & Rep. Ramone & Sen. Pettyjohn & Sen. Townsend
Reps. Bolden, Hilovsky, Osienski, Michael Smith, Harris, Minor-Brown, Romer, Bush; Sens. Buckson, Hocker, Huxtable, Mantzavinos, Sokola

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 330

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO APPROPRIATIONS FOR RETIREE HEALTH INSURANCE.

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 increases, the State shall include in its annual appropriation
5 payments equal to 2.33% of covered payroll, subject to the limitations ~~contained in~~ under § 5548(a)(2) of this title.
6 Beginning with the Fiscal Year 1994 budget, ~~.70%~~ 0.70% of covered payroll shall be appropriated; in Fiscal Year 1995,
7 1.11% of covered payroll shall be appropriated; in Fiscal Year 1996, 1.52% of covered payroll shall be appropriated; in
8 Fiscal Year 1997, 1.93% of covered payroll shall be appropriated; in Fiscal Year 1998 and each fiscal year thereafter 2.33%
9 of covered payroll shall be appropriated. Funds appropriated to implement this subsection shall be deposited into the Post
10 Retirement Fund established ~~by~~ under § 5548 of this title.

11 (2) In order to provide a fund for ~~post-retirement~~ retiree health insurance premiums, ~~each annual Budget Act~~
12 ~~under § 6533 of this title~~ insurance under Chapter 52 of this title, the State shall appropriate the include all of the
13 following in its annual appropriations:

14 a. The sum of the anticipated cost of the State's ~~post-retirement~~ retiree health insurance premiums under
15 Chapter 52 of this title for that year, ~~plus at year.~~

16 b. At least 1% of the grand total of all General Fund operating budget appropriations for the prior fiscal
17 year to the OPEB Fund established under § 5281 of this title.

18 c. Prefunding to the OPEB Fund as follows:

19 1. In Fiscal Year 2025, in an amount equal to 0.50% of the rate of covered payroll of the Fiscal Year
20 2025 operating budget.

21 2. Beginning in Fiscal Year 2026, in an amount equal to an additional 0.25% of covered payroll from
22 the rate of covered payroll the prior fiscal year.

23 (3)a. The sum total appropriated under this paragraph (c)(2) of this section must not exceed the annual
24 required contribution determined by the Board of Pension Trustees. Trustees under § 5283 of Title 29.

25 (4)a. The appropriations under paragraph (c)(2)a. and (c)(2)c. of this section must be in the annual operating
26 Budget Appropriation Bill under § 6533 of this title

27 b. An appropriation under paragraph (c)(2)b. of this section may be in the annual operating Budget
28 Appropriation Bill or a Supplementary Appropriation Bill under § 6339 of this title.

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

31 § 6333. Date of completion of estimate review; power of revision.

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

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

36 § 6334. Contents of budget plan to be submitted upon completion of review; zero-based budgeting.

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

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

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

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

48 (3) The Budget Appropriation Bill shall include the ~~appropriation~~ appropriations to the OPEB Fund required
49 under § 5544(e)(2) § 5544(c)(2)a. and § 5544(c)(2)c. of this title. If a Budget Appropriation Bill does not include the

50 appropriation to the OPEB Fund required under § 5544(c)(2)b. of this title, that appropriation must be made in a
51 Supplementary Appropriation Bill under § 6339 of this title.

SYNOPSIS

This Act increases the amount of the annual appropriation to prefund future State employee retiree health insurance as recommended by the Retiree Healthcare Benefits Advisory Subcommittee of the State Employee Benefits Committee. Like other required contributions to the Other Post-Employment Benefits Fund (OPEB) Fund, this appropriation must be included in the review of and plan for proposed expenditures that the Director of the Office of Management and Budget submits to the Governor and in the Governor's Budget Appropriation Bill.

This Act also revises existing law to allow the current practice of making the annual payment to the OPEB Fund of 1% of the operating budget appropriations for the prior fiscal year in a Supplementary Appropriation Bill and makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.