

## S.B. 3 SUPPLEMENTAL APPROPRIATIONS ACT II

Senator **Lyle W. Hillyard** proposes the following amendments:

Senator Hillyard moves to print the following intent language in the Senate Journal:

### INTENT LANGUAGE FOR S.B. 3

"In passing S.B. 3, Supplemental Appropriations Act II, H.B. 1, Annual Appropriations Act, S.B. 1, Supplemental Appropriations Act, H.B. 301, Supplemental Appropriations II, and H.B. 213, Unused Sick Leave at Retirement Amendments, the Legislature recognizes and intends the following:

- (1) H.B. 213 does not affect the vested rights of any retired state employees or of state employees who retire by December 31, 2005 and are covered by the current programs described under Sections 67-19-14 through 67-19-14.3;
- (2) State employee rights before actual retirement are limited vested rights, in contrast to the retired employees' absolute vested rights;
- (3) The rapidly increasing costs and value of the unused sick leave programs described under Sections 67-19-14 through 67-19-14.3 are changing conditions that require legislative action to maintain the financial security and future actuarial soundness of the benefit;
- (4) The Legislature may subject the programs described under Sections 67-19-14 through 67-19-14.3 to reasonable modifications to meet those changing conditions;
- (5) The Legislature may be required to provide a substantial substitute in consideration of the modifications to the programs for current state employees with limited vested rights; and
- (6) The Legislature is providing the following components as a substantial substitute, if a substantial substitute is required:
  - (a) Ongoing state employee compensation increases beginning with the 2005-06 fiscal year, including:
    - (i) Cost-of-living salary increases; and
    - (ii) Other benefit increases, including both health insurance and retirement, in addition to the cost-of-living increases;
  - (b) Ongoing state employee market comparability adjustments, beginning in the 2005-06 fiscal year;
  - (c) Grandfathering current benefit provisions by:
    - (i) Maintaining current the state employees' ability to purchase health insurance coverage after retirement under Program I with all sick leave hours accumulated through the end of calendar year 2005;
    - (ii) Preserving the increasing value of the benefit purchased with those accumulated sick leave hours by allowing the state employees to continue to purchase one month's health insurance coverage, which is annually more expensive, for the constant purchase price of eight hours of:
      - (A) unused sick leave that are under Program I; or

- (B) converted sick leave; and
- (iii) Making the legislative modifications prospective only as applied to future state employee sick leave accumulations;
- (d) Enacting Program II for state employee sick leave hours accumulated after January 1, 2006;
- (e) Providing for an additional accumulation of state employee converted sick leave hours through 2014;
- (f) Providing payment of 25% of a state employee's unused accumulated sick leave at the employee's rate of pay at the time of retirement into the employee's 401(k) plan; and
- (g) Recognizing that the long-term savings realized by the enactment of H.B. 213 will annually help preserve the state's ability to fund the costs of future state employee compensation and benefit increases."