

## AMENDMENTS TO SENATE BILL NO. 1227

Sponsor: SENATOR BLAKE

Printer's No. 1759

1 Amend Bill, page 1, lines 30 and 31; pages 2 through 4, lines  
2 1 through 30; page 5, lines 1 through 6; by striking out all of  
3 said lines on said pages and inserting

4 Section 1. The act of April 9, 1929 (P.L.177, No.175), known  
5 as The Administrative Code of 1929, is amended by adding an  
6 article to read:

7 Amend Bill, page 5, by inserting between lines 29 and 30

8 "Proposed collective bargaining agreement." The terms of  
9 bargaining between a public employer and an employee  
10 organization which:

11 (1) Apply to wages, hours, terms and conditions of  
12 employment, benefits and working conditions.

13 (2) Are:

14 (i) Reduced to writing.

15 (ii) Agreed upon by designated representatives of  
16 the public employer and the employee organization.

17 (iii) Submitted for acceptance as a contract to the  
18 public employer and the public employee organization.

19 "Public employee retirement plan." Any of the following:

20 (1) The State Employees' Retirement System established  
21 under 71 Pa.C.S. Pt. XXV (relating to retirement for State  
22 employees and officers).

23 (2) The Public School Employees' Retirement System  
24 established under 24 Pa.C.S. Pt. IV (relating to retirement  
25 for school employees).

26 (3) The Pennsylvania Municipal Retirement System  
27 established under the act of February 1, 1974 (P.L.34,  
28 No.15), known as the Pennsylvania Municipal Retirement Law.

29 (4) Any other independent pension or retirement plan for  
30 public officers and employees of the Commonwealth.

31 (5) Pension or retirement plans established under 11  
32 Pa.C.S. Ch. 143 (relating to pensions).

33 (6) Pension or retirement plans created pursuant to the  
34 act of May 29, 1956 (1955 P.L.1804, No.600), referred to as  
35 the Municipal Police Pension Law.

Amend Bill, page 7, by inserting between lines 11 and 12

(8) Provide a cost analysis for the current fiscal year and remaining subsequent fiscal years of the impact of each proposed collective bargaining agreement under the jurisdiction of the Governor prior to execution, including the costs to cover public employee wages, benefits, pensions and working conditions that have been reduced in writing under section 701 of the act of July 23, 1970 (P.L.563, No.195), known as the Public Employee Relations Act.

Amend Bill, page 13, by inserting between lines 22 and 23

(g) Collective bargaining agreements.--The Office of Administration and the Office of the Budget shall:

(1) Submit to the office at least 20 days, excluding weekends and holidays, in advance of its execution, copies of each proposed collective bargaining agreement under the jurisdiction of the Governor.

(2) Concurrent with each submission under paragraph (1), provide the office with a detailed cost analysis of the proposed collective bargaining agreement. The analysis shall compare the collective bargaining agreement in effect at the time of submission to projections for the proposed collective bargaining agreement for the current fiscal year and the remaining subsequent fiscal years in the agreement. The analysis shall include:

(i) The number of employees covered by the agreement, by fund.

(ii) Wages and salaries, by fund.

(iii) Employer costs for employee benefits, including pension contributions, by fund.

(iv) A summary of the changes to paid leave, working hours, working conditions or any other term of employment in the proposed collective bargaining agreement and the projected cost of such changes, by fund.

(v) A statement explaining the data, assumptions and methodology used to make the projections.

(3) Within four days, excluding weekends and holidays, of a request by the director, provide the office with any information, data, statistics or analysis determined by the director to be necessary to fulfill the office's obligations under section 604-B.

Amend Bill, page 15, by inserting between lines 18 and 19

Section 615-B. Additional duties.

(a) Actuarial notes.--The office shall prepare actuarial notes by selecting an enrolled pension actuary to prepare an actuarial note. Actuarial notes shall include a reliable estimate of the financial and actuarial effect of the proposed change in any pension or retirement system. The financial

analysis contained in actuarial notes for legislation that proposes substantial benefit design changes under 24 Pa.C.S. Pt. IV (relating to retirement for school employees) and 71 Pa.C.S. Pt. XXV (relating to retirement for State employees and officers) shall include, but not be limited to, a risk transfer analysis. The actuarial note shall be factual, and shall, if possible, provide a reliable estimate of both the immediate cost and effect of the bill and, if determinable or reasonably foreseeable, the long-range actuarial cost and effect of the bill. The office shall transmit actuarial notes to the Governor and the officers listed in this subsection within the time periods specified under this section upon the request of any of the following:

(1) The President pro tempore of the Senate or the Speaker of the House of Representatives.

(2) The Majority Leader or the Minority Leader of the Senate.

(3) The Majority Leader or the Minority Leader of the House of Representatives.

(4) The chairperson or minority chairperson of the Appropriations Committee of the Senate.

(5) The chairperson or minority chairperson of the Appropriations Committee of the House of Representatives.

(b) Analysis.--At the request of an officer listed in subsection (a), the office shall analyze the provisions of a bill relating to public employee retirement or pension policy and issue a report on the bill in a timely fashion. The report shall provide a synopsis of the bill and financial cost and shall identify proposed changes to current law and current policy. The report, after consultation with the requesting officer, may include an assessment of the actuarial impact and shall be submitted to the Governor and the officers listed in subsection (a).

(c) Plans.--Establish and review public employee retirement plans for actuarial soundness and report the results to the Governor and the General Assembly.

(d) Website.--Maintain the following on its Internet website in a publicly accessible and searchable area:

(1) All actuarial notes issued by the Public Employee Retirement Commission prior to the effective date of this section.

(2) All actuarial notes prepared pursuant to subsection (a) and reports under subsection (b) issued by the office, which shall be posted at the time they are transmitted under subsection (a).

(3) Any other information that is requested to be posted by an officer listed in subsection (a).

(e) Reimbursement.--The office shall request, after expending all appropriations for the performance of its duties under this section, a reimbursement of expenses from the entity requesting the preparation of materials under this subsection. A

1 restricted account is established in the General Fund which  
2 shall consist of reimbursement payments received by the office  
3 under this paragraph. The money in the restricted account is  
4 appropriated on a continuing basis to the office for the purpose  
5 of the performance of its duties under this act, except that the  
6 money in the restricted account may not be expended unless the  
7 office expends all other appropriations for the performance of  
8 its duties under this section.

9 (f) Formulation.--The office shall study generally the  
10 subject of retirement, income after retirement, disability and  
11 death benefits and the retirement needs of public employees. The  
12 office shall formulate principles and objectives and recommend  
13 any new legislation it deems advisable as requested by an  
14 officer listed in subsection (a).

15 (g) Study.--The office shall study the relationship of  
16 retirement and pension policy to other aspects of public  
17 personnel policy and to the effective operation of government  
18 generally, as requested by an officer listed in subsection (a).

19 (h) Note required for bills.--Except as otherwise provided  
20 in subsection (k) (1), no bill proposing any change relative to a  
21 public employee pension or retirement plan may be given second  
22 consideration in either House of the General Assembly, until the  
23 office has attached an actuarial note prepared by an enrolled  
24 pension actuary which shall include a reliable estimate of the  
25 cost and actuarial effect of the proposed change in the pension  
26 or retirement system.

27 (i) Note required for amendments.--Except as otherwise  
28 provided in subsection (k) (2), no amendment to any bill  
29 concerning any public employee pension or retirement plan may be  
30 considered by either House of the General Assembly until an  
31 actuarial note prepared by an enrolled pension actuary has been  
32 attached.

33 (j) Notes for proposed constitutional amendments.--The  
34 office shall issue an actuarial note, prepared by an enrolled  
35 pension actuary, for any joint resolution proposing an amendment  
36 to the Constitution of Pennsylvania which initially passes  
37 either House of the General Assembly. If the joint resolution is  
38 subsequently amended and passes either House of the General  
39 Assembly, a new actuarial note shall be prepared.

40 (k) Effect of failure of office to attach note.--

41 (1) If the office fails to attach an actuarial note  
42 within 20 legislative days after a bill proposing a change  
43 relative to a public employee pension or retirement plan has  
44 received first consideration in either House of the General  
45 Assembly, the bill may be further considered in the same  
46 manner as if the actuarial note had been attached to the  
47 bill.

48 (2) If the office fails to attach an actuarial note  
49 within 20 legislative days after an amendment to a bill  
50 proposing a change relative to a public employee pension or  
51 retirement has been submitted to the office by an officer

1 listed in subsection (a), the amendment may be considered in  
2 the same manner as if the actuarial note had been attached to  
3 the amendment.

4 Amend Bill, page 15, line 19, by striking out "3" and  
5 inserting

6 2

7 Amend Bill, page 17, line 11, by striking out "Chapter 5 of"

8 Amend Bill, page 17, by inserting between lines 24 and 25

9 (f) No bond or note issued to fund an unfunded actuarial  
10 accrued liability may be valid or obligatory in the hands of an  
11 original purchaser until certified copies of the ordinance or  
12 ordinances authorizing bonds or notes, the ordinance or  
13 resolution awarding the bonds or notes and the certificate of  
14 approval of the department have been filed with the Auditor  
15 General. Approval of the Auditor General shall be not be  
16 required.

17 Amend Bill, page 17, line 30, by striking out "4" and  
18 inserting

19 3

20 Amend Bill, page 18, lines 1 and 2, by striking out "The  
21 following apply:

22 (1) "

23 Amend Bill, page 18, lines 13 through 17, by striking out all  
24 of said lines and inserting

25 Section 4. The following shall apply:

26 (1) Except as provided under Article VI-B of the act,  
27 any report required prior to the effective date of this  
28 section to be filed with the Public Employee Retirement  
29 Commission shall, on and after the effective date of this  
30 section, be filed with the Auditor General.

31 (2) The Independent Fiscal Office may utilize existing  
32 contracts for actuarial services or may contract with other  
33 vendors for actuarial services approved by the Department of  
34 General Services. The department shall assist in technical  
35 revisions required to any existing contracts.

36 Amend Bill, page 18, lines 19 and 20, by striking out "repeal  
37 under paragraph (2) is" and inserting

1           repeals under paragraphs (2) and (3) are  
2    Amend Bill, page 18, by inserting between lines 22 and 23  
3           (3) The provisions of 53 Pa.C.S. § 8116 are repealed.  
4    Amend Bill, page 18, line 23, by striking out "(3)" and  
5    inserting  
6           (4)  
7    Amend Bill, page 18, line 26, by striking out all of said  
8    line and inserting  
9    Section 6. This act shall take effect July 1, 2016, or  
10   immediately, whichever is later.