

THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE RESOLUTION

No. 75

Session of  
1995

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INTRODUCED BY READSHAW, TRELLO, GIGLIOTTI, VAN HORNE, ITKIN,  
GAMBLE AND MICHLOVIC, MARCH 6, 1995

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REFERRED TO COMMITTEE ON RULES, MARCH 6, 1995

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A CONCURRENT RESOLUTION

1 Directing the Public Employee Retirement Study Commission to  
2 conduct an analysis of the funding formula in the Municipal  
3 Pension Plan Funding Standard and Recovery Act.

4 WHEREAS, Payments of State aid to municipalities under the  
5 funding mechanism established in the act of December 18, 1984  
6 (P.L.1005, No.205), known as the Municipal Pension Plan Funding  
7 Standard and Recovery Act, fluctuate widely from year to year  
8 without predictability and, for individual municipalities, often  
9 decline from one year to the next; and

10 WHEREAS, The irregular pattern of payments of State aid  
11 causes severe budgetary problems for municipalities, which must  
12 fund pensions and maintain services, and interferes with the  
13 goal of funding municipal pension plans on an actuarially sound  
14 basis; therefore be it

15 RESOLVED (the Senate concurring), That the General Assembly  
16 direct the Public Employee Retirement Study Commission to  
17 conduct an analysis of the funding mechanism for State aid  
18 contained in the Municipal Pension Plan Funding Standard and

1 Recovery Act to determine the cause of the fluctuation in  
2 payments to municipalities and to recommend modification of the  
3 funding formula to provide greater stability and predictability  
4 of the amount of State aid; and be it further

5 RESOLVED, That the analysis of the Public Employee Retirement  
6 Study Commission include, but not be limited to, an examination  
7 of the following issues:

8 (1) the increase in the number of municipalities  
9 applying for State aid;

10 (2) the enhancement of municipal pension plans for the  
11 purpose of obtaining additional State aid;

12 (3) the unbalanced allocation of State aid that results  
13 in more aid to less distressed municipalities; and

14 (4) whether the funding formula should be changed to  
15 provide greater aid to distressed municipalities; and be it  
16 further

17 RESOLVED, That the Public Employee Retirement Study  
18 Commission report its findings and recommendations to the  
19 General Assembly within 90 days of Senate concurrence in this  
20 resolution.