
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1995 Session of
2019

INTRODUCED BY RYAN, BERNSTINE, BROOKS, ECKER, GLEIM, HERSHEY,
KAUFFMAN, LEWIS, MACKENZIE, B. MILLER AND STAATS,
OCTOBER 25, 2019

REFERRED TO COMMITTEE ON STATE GOVERNMENT, OCTOBER 25, 2019

AN ACT

1 Establishing the Keystone Solvency Operating Study Commission
2 and providing for its powers and duties and for a report.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Keystone
7 Solvency Operating Study Commission Act.

8 Section 2. Legislative intent.

9 The intent of this act is to provide insight into financial
10 risks relative to unfunded pension liabilities, other
11 postemployment benefit unfunded liabilities, deferred public
12 sector infrastructure projects to include deferred maintenance,
13 municipal solvency concerns, school district solvency concerns,
14 debt service solvency risks of the Commonwealth, financial
15 stress testing of the Commonwealth's cash flow projections and
16 current comprehensive annual financial reports under various
17 economic scenarios and other financial risks that may come

1 before the Keystone Solvency Operating Study Commission and
2 provide financial analysis of other states considered
3 financially vulnerable.

4 Section 3. Definitions.

5 The following words and phrases when used in this act shall
6 have the meanings given to them in this section unless the
7 context clearly indicates otherwise:

8 "Commission." The Keystone Solvency Operating Study
9 Commission established under section 4.

10 "Critical risk factor." Any element of risk of sufficient
11 magnitude which, if not dealt with, may negatively affect the
12 ability of the Commonwealth to continue to meet financial
13 obligations.

14 "PROMESA." The Puerto Rico Oversight, Management, and
15 Economic Stability Act (Public Law 114-187, 130 Stat. 549).
16 Section 4. Keystone Solvency Operating Study Commission.

17 (a) Establishment.--The Keystone Solvency Operating Study
18 Commission is established as a legislative commission for the
19 purpose of analyzing the economic conditions of the
20 Commonwealth, specifically unfunded obligations of school
21 districts, municipalities and public pension plans. The
22 commission shall consider unfunded postemployment benefits of
23 the Commonwealth to determine the impact on operations of other
24 financial commitments during periods of economic recession. The
25 study shall ensure that the priority of financial claims is
26 understood within the framework of the Constitution of
27 Pennsylvania. The commission shall be comprised of the following
28 members:

29 (1) One member appointed by the Governor.

30 (2) Two members appointed by the President pro tempore

1 of the Senate, one from the majority party and one from the
2 minority party.

3 (3) Two members appointed by the Speaker of the House of
4 Representatives, one from the majority party and one from the
5 minority party.

6 (b) Duties.--The commission shall:

7 (1) Analyze the financial insolvencies under PROMESA and
8 solvency concerns of other states to determine lessons
9 learned and the impact of insolvency proceedings to meet
10 financial obligations in operating budgets.

11 (2) In consultation with the Independent Fiscal Office,
12 develop cash flow projections for the immediate five years
13 following the effective date of this section. The projections
14 shall include best case, expected case and worst case
15 scenarios to be defined by the Independent Fiscal Office in
16 the creation of the projections.

17 (3) Determine critical risk factors of importance to the
18 Commonwealth on the Commonwealth's financial well-being and
19 control measures to monitor the risk factors.

20 (4) Develop performance metrics for use by the
21 Independent Fiscal Office to monitor the critical risk
22 factors identified with the measures published in the
23 quarterly economic updates from the Independent Fiscal
24 Office.

25 (c) Quorum.--A majority of appointed members shall
26 constitute a quorum for the purpose of conducting business.

27 (d) Chairperson and vice chairperson.--The members shall
28 select one of the members to be chairperson and another member
29 to be vice chairperson.

30 (e) Qualified vote.--A vote on the findings and

1 recommendations to the General Assembly under section 5 shall
2 require two-thirds of the members voting in the affirmative.

3 (f) Compensation and reimbursement.--Members of the
4 commission shall not receive compensation or reimbursement for
5 their services on the commission.

6 (g) Information gathering.--The commission may conduct
7 hearings and otherwise gather pertinent information and analysis
8 that the commission considers appropriate and necessary to
9 fulfill its duties, which may include, but shall not be limited
10 to, the Independent Fiscal Office and the Joint State Government
11 Commission.

12 (h) Support.--The General Assembly shall provide
13 administrative support, meeting space and any other assistance
14 required by the commission to carry out the commission's duties
15 under this act.

16 (i) Transparency and ethics.--The commission shall be
17 subject to the following laws:

18 (1) 65 Pa.C.S. Ch. 7 (relating to open meetings).

19 (2) The act of February 14, 2008 (P.L.6, No.3), known as
20 the Right-to-Know Law. The commission shall be considered a
21 legislative agency as defined in section 102 of the Right-to-
22 Know Law.

23 Section 5. Report and expiration.

24 (a) Report.--The commission shall report its findings and
25 recommendations to the Governor and the General Assembly within
26 six months of its first organizational meeting. The report shall
27 be directly submitted to:

28 (1) The President pro tempore of the Senate.

29 (2) The Majority Leader of the Senate.

30 (3) The Minority Leader of the Senate.

1 (4) The chair and minority chair of the Finance
2 Committee of the Senate.

3 (5) The Speaker of the House of Representatives.

4 (6) The Majority Leader of the House of Representatives.

5 (7) The Minority Leader of the House of Representatives.

6 (8) The chair and minority chair of the Finance
7 Committee of the House of Representatives.

8 (b) Expiration.--The commission shall expire 60 days after
9 delivery of its report under subsection (a).

10 Section 6. Effective date.

11 This act shall take effect in 30 days.