



**HOUSE COMMITTEE ON APPROPRIATIONS**  
2009-10 Legislative Session

**FISCAL NOTE**

**HOUSE BILL: 9**

**PRINTER'S NO: 2205**  
As amended by A05977

**RIME SPONSOR: McCall**

<b>FISCAL IMPACT SUMMARY</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>
General Fund	See analysis	See analysis

**OVERVIEW:**

House Bill 9, as amended by A05977, amends the act of July 2, 1984, establishing the Pennsylvania Conservation Corps, to provide health benefits to crewleaders in the corps and membership in SERS. Amendment # 05977 changes effective dates and makes the SERS membership contingent upon provision in the retirement code.

The bill as amended will take effect immediately.

**ANALYSIS:**

The existing law states that crewleaders, who perform a supervisory role on corps projects, are not entitled to any benefits provided to employees of state agencies, except holidays and workers' compensation coverage. The bill changes this provision and extends health and supplemental benefits to crewleaders equivalent to benefits received by other full-time departmental employees. The bill also allows crewleaders to become members of the State Employees' Retirement System.

The Department of Labor and Industry has indicated that extending health benefits to crewleaders could be absorbed within the existing budget; however to do so will require a reduction in the number of projects undertaken by the PCC.

An actuarial note prepared by the Public Employee Retirement Commission noted that the extension of SERS membership would create an unfunded actuarial accrued liability of \$231,000. Additional amortization payments would be required to fund any increase in unfunded actuarial accrued liability, along with the extra employer costs created by extending SERS membership to crewleaders. The actuarial note indicates that the amortization payments plus the employer contribution would total \$140,000 annually.

The Commission's actuarial note also indicated that to provide SERS membership in a statute other than the retirement code would be unusual and irregular, and that the bill's language was not clear whether membership in SERS was mandatory or optional. Employees who became members may also be eligible to purchase service credit in SERS, which would increase retirement benefit costs incurred by the commonwealth.

Amendment A05977 makes changes recommended by the Commission to ensure that SERS membership would be allowed only if provided for in the retirement code. Since SERS membership for crewleaders is then not enacted by the bill as amended, the costs identified by the Commission would not be incurred. Therefore, the bill as amended does not have any adverse fiscal impact to the commonwealth.

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**DATE:** March 15, 2010

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*