



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1995

PRINTERS NO. 4078

PRIME SPONSOR: Ryan

COST / (SAVINGS)

| FUND | FY 2020/21 | FY 2021/22 |
|--------------|-------------------|-------------------|
| General Fund | See fiscal impact | See fiscal impact |

SUMMARY: House Bill 1995, printer's number 4078, establishes the Keystone Solvency Operating Study Commission and provides for its powers and duties. This bill would take effect 30 days after enactment.

ANALYSIS: The Keystone Solvency Operating Study Commission would be established as a bipartisan legislative commission for the purpose of analyzing economic conditions of the Commonwealth, specifically including unfunded obligations of school districts, municipalities, and public pension plans. The commission would be comprised of one member appointed by the Governor, one member appointed by the President Pro Tempore of the Senate, one member appointed by the Senate Minority Leader, one member appointed by the Speaker of the House, and one member appointed by the House Minority Leader.

The duties of the commission shall include analyzing financial insolvencies and solvency concerns of other states to determine if the Commonwealth can become bankrupt or insolvent and determine lessons learned on the impact that insolvency proceedings may have on the Commonwealth's ability to meet its financial obligations in annual operating budgets, including employer contributions to the Public School Employees' Retirement System and State Employees' Retirement System. In consultation with the Independent Fiscal Office (IFO), the commission shall develop cash flow projections for the five years following the effective date of the act. The projections shall include best case, expected case, and worst-case scenarios, determine critical risk factors of importance to the Commonwealth, and develop performance metrics for use by the IFO to monitor critical risk factors. Within six months, the commission shall report its findings and recommendations to the Governor and the General Assembly.

FISCAL IMPACT: In accordance with language in the bill, the General Assembly shall provide administrative support, meeting space, and other assistance required by the commission. Minimal costs for the conduct of hearings may be incurred. Members of the Keystone Solvency Operating Study Commission shall not receive compensation or reimbursement for their services on the commission. It is assumed that duties prescribed to the IFO in the bill can be absorbed within existing funding levels.

PREPARED BY: Casey Martin
House Appropriations Committee (R)

DATE: July 8, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.