

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1227

**PRINTER NO.** 1759

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

May 9, 2016

**PRIME SPONSOR**

Senator Blake

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 1227 repeals the Public Employee Retirement Commission (PERC) Act and a portion of Title 71 of the Consolidated Statutes (State Government) to transfer the responsibilities of PERC with regard to pension legislation to the Independent Fiscal Office (IFO) and the Department of the Auditor General.

Senate Bill 1227 would re-establish the Independent Fiscal Office in a new Article in the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929. The new article, Article VI-B of The Administrative Code, would contain the current provisions of Chapter 41 of Title 71, including the mandatory responsibilities of preparing revenue estimates, assessments of the state's fiscal condition and performance measurement.

Under the legislation, a new Section 310 of the Administrative Code would transfer and impose upon the IFO the additional duty to prepare actuarial notes in the form and manner prescribed under section 7 of the act of July 9, 1981 (P.L.208, No.66), known as the Public Employee Retirement Commission Act, by selecting an enrolled pension actuary to prepare an actuarial note. These actuarial reports are to be supplied in a timely fashion at the request of leadership or chairperson of the respective Appropriations Committees. The IFO is to perform any other duty under section 6(a)(1) or (10) of the Public Employee Retirement Commission Act as requested by any such legislative officer.

A new Section 1004 is also added to The Administrative Code to transfer the powers and duties of PERC with regard to Act 205, the Municipal Pension Plan Funding Standard and Recovery Act (December 18, 1984 (P.L.1005, No.205)). The transferred duties shall be independent of the Department of the Auditor General's existing audit functions and shall be segregated in a departmental bureau separate from the bureau that performs audit functions.

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The responsibility of municipalities to file and report materials and to otherwise comply with Act 205 shall remain in effect, except all future filings and reporting under Act 205 shall be made to the Department of the Auditor General in the manner directed by the department. Within thirty (30) days of the effective date of this section, the Auditor General shall submit to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin, and shall post on the Department of the Auditor General's publicly accessible Internet website, the manner of preparing the filings and reports. The employees of the Public Employee Retirement Commission are transferred to the Department of the Auditor General.

All activities initiated under Chapter 41 of Title 71 shall continue and remain in full force and effect and may be completed under the new article established in the Administrative Code. Orders, regulations, rules and decisions which were made under Chapter 41 of Title 71 and which are currently in effect shall remain in full force and effect until revoked, vacated or modified.

The act shall take effect immediately.

## **FISCAL IMPACT:**

Enactment of Senate Bill 1227 will have no adverse fiscal impact on Commonwealth funds.

The legislation transfers the responsibilities of PERC with regard to pension legislation to the Independent Fiscal Office and the Department of the Auditor General. Accordingly, General Fund appropriations previously made to PERC will now be made to the IFO and the Department of the Auditor General to fund these operations.