

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

SATURDAY, DECEMBER 19, 2015

SESSION OF 2015

199TH OF THE GENERAL ASSEMBLY

No. 106

### HOUSE OF REPRESENTATIVES

The House convened at 11 a.m., e.s.t.

**THE SPEAKER (MIKE TURZAI)**  
**PRESIDING**

#### PRAYER

HON. SID MICHAELS KAVULICH, member of the House of Representatives, offered the following prayer:

Thank you, Mr. Speaker.

Today I have two very short prayers – one that will be very familiar to all of you, but one that I hope will apply to what we will do here over the next couple of days.

First, "Fear not, for I am with you; be not dismayed, for I am your God; I will strengthen you, I will help you, I will uphold you with my righteous right hand."

God, give me the grace to accept with serenity the things that cannot be changed, the courage to change the things which should be changed, and the wisdom to distinguish the one from the other. Living one day at a time; enjoying one moment at a time; accepting hardship as a pathway to peace; taking this sinful world as it is, not as I would have it; trusting that You will make all things right if I surrender to Your will, so that I may be reasonably happy in this life, and supremely happy with You forever in the next. Amen.

#### PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

#### JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Friday, December 18, 2015, will be postponed until printed.

#### HOUSE BILLS INTRODUCED AND REFERRED

**No. 1768** By Representative KIRKLAND

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in municipal authorities, further providing for governing body.

Referred to Committee on LOCAL GOVERNMENT, December 19, 2015.

**No. 1769** By Representatives DAY, D. COSTA, KNOWLES, DeLUCA and JOZWIAK

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in contract carrier by motor vehicle and broker, further providing for declaration of policy and definitions; and providing for penalties.

Referred to Committee on TRANSPORTATION, December 19, 2015.

#### SENATE MESSAGE

AMENDED HOUSE BILL RETURNED  
FOR CONCURRENCE AND  
REFERRED TO COMMITTEE ON RULES

The clerk of the Senate, being introduced, returned **HB 1198, PN 2683**, with information that the Senate has passed the same with amendment in which the concurrence of the House of Representatives is requested.

#### LEAVES OF ABSENCE

The SPEAKER. The majority whip requests leaves of absence for Representative SACCONI of Allegheny County for the day, and Representative STEPHENS of Montgomery County for the day. Without objection, those requests will be granted.

#### MASTER ROLL CALL

The SPEAKER. At this time we will turn to the master roll call, and members will proceed to vote.

The following roll call was recorded:

#### PRESENT—200

Acosta	Evans	Kotik	Rader
Adolph	Everett	Krieger	Rapp
Baker	Fabrizio	Krueger	Ravenstahl
Barbin	Farina	Lawrence	Readshaw
Barrar	Farry	Lewis	Reed
Benninghoff	Fee	Longietti	Reese
Bizzarro	Flynn	Mackenzie	Regan
Bloom	Frankel	Maher	Roae
Boback	Freeman	Mahoney	Roebuck
Boyle	Gabler	Major	Ross

Bradford	Gainey	Maloney	Rothman
Briggs	Galloway	Markosek	Rozzi
Brown, R.	Gergely	Marshall	Sainato
Brown, V.	Gibbons	Marsico	Samuelson
Bullock	Gillen	Masser	Sankey
Burns	Gillespie	Matzie	Santarsiero
Caltagirone	Gingrich	McCarter	Santora
Carroll	Godshall	McClinton	Saylor
Causar	Goodman	McGinnis	Schemel
Christiana	Greiner	McNeill	Schlossberg
Cohen	Grove	Mentzer	Schreiber
Conklin	Hahn	Metcalf	Schweyer
Corbin	Hanna	Metzgar	Simmons
Costa, D.	Harhai	Miccarelli	Sims
Costa, P.	Harhart	Millard	Snyder
Cox	Harkins	Miller, B.	Sonney
Cruz	Harper	Miller, D.	Staats
Culver	Harris, A.	Milne	Sturla
Cutler	Harris, J.	Moul	Tallman
Daley, M.	Heffley	Mullery	Taylor
Daley, P.	Helm	Murt	Thomas
Davidson	Hennessey	Mustio	Tobash
Davis	Hickernell	Neilson	Toepel
Dawkins	Hill	Nesbit	Toohil
Day	Irvin	Neuman	Topper
Dean	James	O'Brien	Truitt
Deasy	Jozwiak	O'Neill	Vereb
DeLissio	Kampf	Oberlander	Vitali
DeLozier	Kaufer	Ortitay	Ward
DeLuca	Kauffman	Parker, C.	Warner
Dermody	Kavulich	Parker, D.	Watson
Diamond	Keller, F.	Pashinski	Wentling
DiGirolamo	Keller, M.K.	Payne	Wheatley
Donatucci	Keller, W.	Peifer	Wheeland
Driscoll	Killion	Petrarca	White
Dunbar	Kim	Petri	Youngblood
Dush	Kinsey	Pickett	Zimmerman
Ellis	Kirkland	Pyle	
Emrick	Klunk	Quigley	Turzai,
English	Knowles	Quinn	Speaker
Evanovich	Kortz		

## ADDITIONS—0

## NOT VOTING—0

## EXCUSED—2

Saccone Stephens

## LEAVES ADDED—1

Bradford

## LEAVES CANCELED—2

Bradford Stephens

The SPEAKER. Two hundred members having voted on the master roll, a quorum is present.

## VOTE CORRECTION

The SPEAKER. Representative Pyle, on unanimous consent.

Mr. PYLE. Thank you, Mr. Speaker.

Mr. Speaker, yesterday on the vote on SB 1071, motion to postpone, DiGirolamo, my vote was not recorded. Let the record reflect, with the Speaker's acquiescence, a "no" vote.

Thank you, Mr. Speaker.

The SPEAKER. Yes, sir.

## RULES AND APPROPRIATIONS COMMITTEE MEETINGS

The SPEAKER. The Chair recognizes the Appropriations Committee chair for an announcement.

Mr. ADOLPH. Thank you very much, Mr. Speaker.

Mr. Speaker, there will be a Rules Committee meeting in the Republican conference room, and then at 11:30 there will be an Appropriations meeting in the majority caucus room. Thank you.

The SPEAKER. There will be a Rules Committee meeting in the Republican conference room.

At 11:30 there will be an Appropriations Committee meeting in the majority caucus room.

## REPUBLICAN CAUCUS

The SPEAKER. Representative Major, majority caucus chair, for an announcement.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to announce Republicans will caucus today at 12 noon. I would ask our Republicans to please report to our caucus room at 12 o'clock. We would be prepared to come back on the floor, Mr. Speaker, at 1 p.m. Thank you.

The SPEAKER. Thank you, Madam Chair.

## DEMOCRATIC CAUCUS

The SPEAKER. Representative Frankel, the minority caucus chair, for an announcement.

Mr. FRANKEL. Thank you, Mr. Speaker.

Democrats will also caucus at 12 noon. Democrats will caucus at 12 noon. Thank you.

## RECESS

The SPEAKER. The House will stand in recess until 1 p.m. Thank you.

## AFTER RECESS

The time of recess having expired, the House was called to order.

## BILL REREPORTED FROM COMMITTEE

### SB 1071, PN 1481

By Rep. ADOLPH

An Act amending Titles 24 (Education), 51 (Military Affairs) and 71 (State Government) of the Pennsylvania Consolidated Statutes, extensively revising pension provisions as follows: In Title 24: for retirement for school employees, in the areas of preliminary provisions, of membership, contributions and benefits, of school employees' defined contribution plan and of administration and miscellaneous provisions; and for health insurance for retired school employees, in the area of preliminary provisions. In Title 51: for employment preferences and pensions, in the area of military leave of absence. In Title 71: for boards and offices, in the area of Independent Fiscal Office; and for retirement for State employees and officers, in the areas of preliminary provisions, of membership, credited service, classes of service and eligibility for benefits, of contributions, of benefits, of State employees' defined contribution plan and of administration, funds, accounts, general provisions. Providing, as to the revisions: for

construction and administration, for applicability, for liability, for member statements and for suspension of provisions of the Public Employee Retirement Study Commission Act.

APPROPRIATIONS.

### **BILL ON CONCURRENCE REPORTED FROM COMMITTEE**

**HB 1198, PN 2683**

By Rep. REED

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for crimes; and, in corporate net income tax, providing for amended reports.

RULES.

### **CONSUMER AFFAIRS COMMITTEE MEETING**

The SPEAKER. The Chair recognizes Representative Bob Godshall, chair of the Consumer Affairs Committee, for a committee announcement.

Mr. GODSHALL. Thank you, Mr. Speaker.

There will be an immediate voting meeting of the House Consumer Affairs Committee in room B-31, Main Capitol, to consider HB 1436 and any other business coming before the committee. I will ask all committee members to please go immediately to room B-31, and it will be a brief meeting. Thank you very much.

The SPEAKER. Members, we will be at ease while the Consumer Affairs Committee meets. It is a voting meeting. So we will be at ease while the Consumer Affairs Committee meets, and it is a voting meeting.

The House is back in order.

Members will please take their seats. It is my understanding that the Consumer Affairs Committee meeting has concluded.

### **SUPPLEMENTAL CALENDAR A**

### **BILL ON CONCURRENCE IN SENATE AMENDMENTS**

The House proceeded to consideration of concurrence in Senate amendments to **HB 1198, PN 2683**, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for crimes; and, in corporate net income tax, providing for amended reports.

On the question,

Will the House concur in Senate amendments?

### **LEAVE OF ABSENCE**

The SPEAKER. The minority whip has indicated that Representative Matt BRADFORD has requested to be placed on leave of absence for the day. Without objection, that will be granted.

### **CONSIDERATION OF HB 1198 CONTINUED**

The SPEAKER. The question is, will the House concur in the amendments inserted by the Senate?

Moved by the gentleman, Mr. Reed, that the House concur in the amendments inserted by the Senate. It is my understanding that he requests that the vote be made in the negative.

The Chair recognizes the gentleman, Mr. Reed, for a brief description of the Senate amendments and for remarks.

Mr. REED. Thank you, Mr. Speaker.

It is my understanding that the Senate amendment made something called a sales zipper illegal. I would respectfully ask the members to nonconcur in the Senate amendment. Thank you.

### **LEAVE OF ABSENCE CANCELED**

The SPEAKER. Representative Stephens is back on the House floor and would like to be placed on the master roll. Without objection, that will be granted.

### **CONSIDERATION OF HB 1198 CONTINUED**

The SPEAKER. Representative DiGirolamo has filed an amendment, 5412, to HB 1198.

Representative DiGirolamo, on the amendment.

### **MOTION TO SUSPEND RULES**

Mr. DIGIROLAMO. Thank you, Mr. Speaker.

I would like to make a motion to suspend the rules to offer amendment 05412, which will impose a 3.2-percent severance tax on top of the existing impact fee.

On the question,

Will the House agree to the motion?

The SPEAKER. On the motion to suspend, Leader Reed.

Mr. REED. Thank you, Mr. Speaker.

I would ask the members to oppose the motion to suspend the rules. Thank you.

The SPEAKER. Representative Dermody, on the motion to suspend, please.

Mr. DERMODY. Thank you, Mr. Speaker.

I also would ask the members to oppose the motion to suspend the rules.

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—20

Briggs	Farry	Murt	Samuelson
Davidson	Freeman	O'Neill	Santarsiero
Davis	Harper	Peifer	Santora
Dean	Heffley	Petri	Thomas
DiGirolamo	Miccarelli	Rozzi	Truitt

## NAYS—180

Acosta	Everett	Kotik	Rader
Adolph	Fabrizio	Krieger	Rapp
Baker	Farina	Krueger	Ravenstahl
Barbin	Fee	Lawrence	Readshaw
Barrar	Flynn	Lewis	Reed
Benninghoff	Frankel	Longietti	Reese
Bizzarro	Gabler	Mackenzie	Regan
Bloom	Gainey	Maher	Roae
Boback	Galloway	Mahoney	Roebuck
Boyle	Gergely	Major	Ross
Brown, R.	Gibbons	Maloney	Rothman
Brown, V.	Gillen	Markosek	Sainato
Bullock	Gillespie	Marshall	Sankey
Burns	Gingrich	Marsico	Saylor
Caltagirone	Godshall	Masser	Schemel
Carroll	Goodman	Matzie	Schlossberg
Causar	Greiner	McCarter	Schreiber
Christiana	Grove	McClinton	Schweyer
Cohen	Hahn	McGinnis	Simmons
Conklin	Hanna	McNeill	Sims
Corbin	Harhai	Mentzer	Snyder
Costa, D.	Harhart	Metcalfe	Sonney
Costa, P.	Harkins	Metzgar	Staats
Cox	Harris, A.	Millard	Stephens
Cruz	Harris, J.	Miller, B.	Sturla
Culver	Helm	Miller, D.	Tallman
Cutler	Hennessey	Milne	Taylor
Daley, M.	Hickernell	Moul	Tobash
Daley, P.	Hill	Mullery	Toepel
Dawkins	Irvin	Mustio	Toohil
Day	James	Neilson	Topper
Deasy	Jozwiak	Nesbit	Vereb
DeLissio	Kampf	Neuman	Vitali
Delozier	Kaufer	O'Brien	Ward
DeLuca	Kauffman	Oberlander	Warner
Dermody	Kavulich	Ortitay	Watson
Diamond	Keller, F.	Parker, C.	Wentling
Donatucci	Keller, M.K.	Parker, D.	Wheatley
Driscoll	Keller, W.	Pashinski	Wheeland
Dunbar	Killion	Payne	White
Dush	Kim	Petrarca	Youngblood
Ellis	Kinsey	Pickett	Zimmerman
Emrick	Kirkland	Pyle	
English	Klunk	Quigley	Turzai,
Evankovich	Knowles	Quinn	Speaker
Evans	Kortz		

## NOT VOTING—0

## EXCUSED—2

Bradford Saccone

Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,  
Will the House concur in Senate amendments?

The SPEAKER. Representative Fred Keller.  
Mr. F. KELLER. Thank you, Mr. Speaker.

I guess maybe if I could interrogate somebody on a zapper, if somebody would explain more about that. I mean, it is my understanding that a zapper is to eliminate sales so that sales tax is not collected, and I am just trying to understand why that is a bad idea.

The SPEAKER. Representative Keller, the leader has indicated he will stand for interrogation.

Mr. REED. It is my understanding that a sales zapper is a device that is hooked up to a cash register that, given the term, "zaps" the sale from being recorded, so the sale takes place but is not recorded within that register.

Mr. F. KELLER. And this bill makes that legal to have those for the purpose of zapping sales – or makes it illegal; I am sorry.

Mr. REED. It is my understanding, based upon current statute, they are already committing fraud. They are committing an act that is illegal today. This is merely adding the term "zapper" to our Tax Code. It is not necessary to prosecute such a crime because it is already fraudulent actions today.

Mr. F. KELLER. Does our current law already make it illegal to sell them?

Mr. REED. Yes; it is an instrument of crime.

Mr. F. KELLER. Thank you, Mr. Speaker.

On the bill?

The SPEAKER. Please, you may proceed.

Mr. F. KELLER. Mr. Speaker, as I read the bill and what the Senate inserted into the bill, it makes selling or using a device to evade collecting sales tax and evading the law illegal, which is what we should be making sure we are doing. In an effort when we are looking for so much revenue, why are we trying to tax more people when we can just concentrate on collecting the revenue that should already be collected by the Commonwealth?

Furthermore, it makes it so that if you have one of these to track inventory or find out how not to have the fraud, that is not illegal, so I guess I would say that I think this is a good bill and we should be concurring with the Senate. I think they added something in here that makes it stronger, makes it better, and I think that an affirmative vote for this strengthens our sales tax collections in the Commonwealth when we are at a time that we need the revenue. Instead of looking to tax other people, why do we not collect all the revenue that is already due?

So I would ask that the members concur with the Senate on the Senate amendment. Thank you.

The SPEAKER. Representative Dermody, your remarks with respect to the concurrence in Senate amendments.

Mr. DERMODY. On concurrence, Mr. Speaker.

The SPEAKER. Yes, sir.

Mr. DERMODY. I also would urge the members to nonconcur on HB 1198.

The SPEAKER. Representative Reed. Go ahead, Representative Reed, on the concurrence vote.

Mr. REED. Mr. Speaker, if you would not mind just clarifying for the members what a "yes" vote means and what a "nay" vote means so that they know which, whether they are voting for concurrence or not. Thank you.

The SPEAKER. Members, the leaders have both recommended a "nay" vote on concurrence; nonconcurrence. So if you are voting "yes," you are in favor of the concurrence; if you are voting "no," you are against concurrence. That would be nonconcurrence. So "yes" is for concurrence; "nay" is for nonconcurrence.

On the question recurring,

Will the House concur in Senate amendments?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

## YEAS—27

Bloom	Grove	Krieger	Moul
Cox	Hill	Lawrence	Roae
Dunbar	Jozwiak	Mackenzie	Rothman
Dush	Kauffman	Maloney	Simmons
Emrick	Keller, F.	McGinnis	Tallman
Gabler	Klunk	Metcalfe	Truitt
Gillen	Knowles	Metzgar	

## NAYS—173

Acosta	Evankovich	Krueger	Readshaw
Adolph	Evans	Lewis	Reed
Baker	Everett	Longietti	Reese
Barbin	Fabrizio	Maher	Regan
Barrar	Farina	Mahoney	Roebuck
Benninghoff	Farry	Major	Ross
Bizzarro	Fee	Markosek	Rozzi
Boback	Flynn	Marshall	Sainato
Boyle	Frankel	Marsico	Samuelson
Briggs	Freeman	Masser	Sankey
Brown, R.	Gainey	Matzie	Santarsiero
Brown, V.	Galloway	McCarter	Santora
Bullock	Gergely	McClinton	Saylor
Burns	Gibbons	McNeill	Schemel
Caltagirone	Gillespie	Mentzer	Schlossberg
Carroll	Gingrich	Miccarelli	Schreiber
Causar	Godshall	Millard	Schweyer
Christiana	Goodman	Miller, B.	Sims
Cohen	Greiner	Miller, D.	Snyder
Conklin	Hahn	Milne	Sonney
Corbin	Hanna	Mullery	Staats
Costa, D.	Harhai	Murt	Stephens
Costa, P.	Harhart	Mustio	Sturla
Cruz	Harkins	Neilson	Taylor
Culver	Harper	Nesbit	Thomas
Cutler	Harris, A.	Neuman	Tobash
Daley, M.	Harris, J.	O'Brien	Toepel
Daley, P.	Heffley	O'Neill	Toohil
Davidson	Helm	Oberlander	Topper
Davis	Hennessey	Ortitay	Vereb
Dawkins	Hickernell	Parker, C.	Vitali
Day	Irvin	Parker, D.	Ward
Dean	James	Pashinski	Warner
Deasy	Kampf	Payne	Watson
DeLissio	Kaufer	Peifer	Wentling
Delozier	Kavulich	Petrarca	Wheatley
DeLuca	Keller, M.K.	Petri	Wheeland
Dermody	Keller, W.	Pickett	White
Diamond	Killion	Pyle	Youngblood
DiGirolamo	Kim	Quigley	Zimmerman
Donatucci	Kinsey	Quinn	
Driscoll	Kirkland	Rader	Turzai,
Ellis	Kortz	Rapp	Speaker
English	Kotik	Ravenstahl	

## NOT VOTING—0

## EXCUSED—2

Bradford	Saccone
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Less than the majority required by the Constitution having voted in the affirmative, the question was determined in the negative and the amendments were not concurred in.

Ordered, That the clerk inform the Senate accordingly.

## BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 1436, PN 2690** (Amended) By Rep. GODSHALL

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in rates and distribution systems, providing for computation of income tax expense for ratemaking purposes.

CONSUMER AFFAIRS.

## BILL REPORTED AND REREFERRED TO COMMITTEE ON GAME AND FISHERIES

**HB 1537, PN 2504** By Rep. GODSHALL

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in riot, disorderly conduct and related offenses, providing for prohibiting the import, sale, purchase, barter or possession of ivory or rhinoceros horn.

Reported from Committee on CONSUMER AFFAIRS with request that it be rereferred to Committee on GAME AND FISHERIES.

The SPEAKER. Without objection, the bill will be so rereferred.

## BILL REPORTED AND REREFERRED TO COMMITTEE ON INSURANCE

**HB 1759, PN 2654** By Rep. GODSHALL

An Act amending the act of July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance Practices Act, further providing for unfair methods of competition and unfair or deceptive acts or practices defined.

Reported from Committee on CONSUMER AFFAIRS with request that it be rereferred to Committee on INSURANCE.

The SPEAKER. Without objection, the bill will be so rereferred.

## SUPPLEMENTAL CALENDAR B

## BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **SB 1071, PN 1481**, entitled:

An Act amending Titles 24 (Education), 51 (Military Affairs) and 71 (State Government) of the Pennsylvania Consolidated Statutes, extensively revising pension provisions as follows: In Title 24: for retirement for school employees, in the areas of preliminary provisions, of membership, contributions and benefits, of school employees' defined contribution plan and of administration and miscellaneous provisions; and for health insurance for retired school employees, in the area of preliminary provisions. In Title 51: for employment preferences and pensions, in the area of military leave of absence. In Title 71: for boards and offices, in the area of Independent Fiscal Office; and for retirement for State employees and officers, in the areas of preliminary provisions, of membership, credited service, classes of



service and eligibility for benefits, of contributions, of benefits, of State employees' defined contribution plan and of administration, funds, accounts, general provisions. Providing, as to the revisions: for construction and administration, for applicability, for liability, for member statements and for suspension of provisions of the Public Employee Retirement Study Commission Act.

On the question,  
Will the House agree to the bill on third consideration?  
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

### PARLIAMENTARY INQUIRY

The SPEAKER. Representative Markosek.

Mr. MARKOSEK. Thank you, Mr. Speaker.

Mr. Speaker, point of parliamentary inquiry, please.

The SPEAKER. Yes, sir.

Mr. MARKOSEK. Mr. Speaker, I am a member of the Public School Employees' Retirement System, PSERS. We have at least one other member in the chamber who is a member of that board, and we have two members in the chamber who are members of the SERS Board, State Employees' Retirement System Board. So that is four members in here that belong to one or the other of those boards. Are we able to vote on this, or should we abstain from voting on this?

The SPEAKER. Representative Markosek, I have consulted with the Parliamentarian, and there is no conflict. All four members are not in conflict and should be able to proceed to vote.

Mr. MARKOSEK. Thank you, Mr. Speaker.

The SPEAKER. And that has historically been the case and has been by precedent.

Representative Cohen.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, passage of this bill, at this time, in this form, and under the procedures with which we are operating is premature and unwise. To create a genuine unity in the midst of the extreme complexity of this issue requires a full consideration of amendments of both political parties, a full consideration of the predictive validity of the actuarial assumptions that create the view of a pension system in crisis, and a thorough examination of the pressures for higher salaries that will inevitably increase with the passage of pension cuts. We have done none of this. The majority has wisely made some concessions. I commend my counterpart, the chair of the State Government Committee, but not enough to deal with the scope of the problem.

A "no" vote on this legislation sends a strong message to the Governor and the Senate as to where the House stands at this time. It does not end all discussion for all time on this subject, but it sends a clear and strong message as to where the House stands today in the midst of a highly fluid situation.

I strongly urge a "no" vote on concurrence on this legislation.

The SPEAKER. Representative McGinnis.

Mr. McGINNIS. Thank you, Mr. Speaker.

Mr. Speaker, it is not a lie if you believe it. It is not a lie if you believe it.

This bit of phony wisdom comes from George Costanza, the character on "Seinfeld," and his sophism attaches to SB 1071. The claim we hear is that SB 1071 will significantly and historically address the pension crisis that threatens to cripple the future of the Commonwealth. Well, it is not a lie if you believe it.

SB 1071, as amended, is over 300 pages of complexities, carveouts, and opportunities for constitutional challenges incompatible with honest pension reform. About the best its proponents can say is that it is better than doing nothing. That is incorrect, and it is not a lie if you believe it.

This bill perpetuates a defined benefit plan, which is the fatal defect of our public pension system. Those in favor, including the Governor, claim that it is really about shifting risk. That is not entirely a lie, but it is not even a halfhearted effort at proper risk management. Besides, the risk imposed on the future of Pennsylvania by the \$60 billion of debt measured actuarially or the \$130 billion of pension debt properly measured by principles that play in financial markets, that risk is not shifted anywhere except to taxpayers, present and future. You can pretend this bill will somehow lessen our financial distress even though its motivation was to make the pension debt bigger, and it is not a lie if you believe it.

Let us look at a few numbers so we all understand what is coming and why SB 1071 does nothing but distract from and delay, and perhaps beyond a point of no return – talk about risk – beyond a point of no return an adequate solution to our pension debt problem. In 2001 the State pension accounts had \$25 of assets for every dollar paid to a retiree. In 2014 there were only \$8 of assets per dollar paid to retirees. That ratio is quickly approaching zero, and when it hits zero, SERS and PSERS will officially be insolvent. We call that day D-day, as in depletion day, because the pension assets used to pay benefits to retirees will be fully depleted. That means that every dollar owed to public-sector retirees will have to come out of the General Fund. It will take one-third to one-half of the general appropriations budget simply to pay retirees when D-day arrives. For example, more than \$10 billion will be paid to public-sector retirees this year. How would you like to address the current budgetary concerns of education, welfare, and the rest of the line items with a funding stream of \$20 billion or less? Will passing SB 1071 do anything to avert that scenario in the future? It is not a lie if you believe it.

Mr. Speaker, let us talk about our current budget, or lack thereof, for just a moment. There has been lamentation aplenty, and justifiably, that the State has not had a budget for 172 days – 172 days. Sad, shameful, outrageous. However, let us reflect about another calendar of dereliction. It has been 4,371 days since we last properly funded our public-sector pensions; 4,371 days of dereliction and counting, and unlike the current budget impasse, there is no end on the horizon. This has not been an oversight. This has not been an accident. It has been a deliberate bipartisan looting of the retirement funds by legislators and Governors for a dozen years, and this financial cancer has become the de facto policy of the Pennsylvania State government. Do you think that SB 1071 will in some way, shape, or other address that cancer? It is not a lie if you believe it will.

During these 4,371 days of delinquency, nearly 1.8 million children have been born in Pennsylvania. On the day of their births, we in this Capitol saddled every baby with \$10,000 of debt that grows at nearly \$1,000 a year. Why are we worrying about funding pre-K and elementary education when we need to get those kids jobs to work off the debt that we have rung on their accounts? Mr. Speaker, we like to think that this is an honorable institution, but by underfunding our pensions, we steal from children and children not yet born. How is that honorable? We do this because we in elected office are addicts whose drug of choice is public debt, even the kind forbidden by our Constitution. Do you think this is an honorable institution or a den of thieves?

Mr. Speaker, step one of any budget process is to produce an effective and credible plan of payment for the expenses left unpaid from the past. Of course, regarding the massive delinquency of pension payments from the past, the Governor and our appropriations process has skipped that first step. SB 1071 does not even call into question that malfeasance. In fact, as originally written, it was intended to bypass the mandatory review process and make the delinquent pension payments worse. The error of pension funding begins with the statute that we pass that defines what a full pension payment is. We can and do legislate whatever we want, but the full pension payment defined in Act 120 will only work in the world of make-believe. There are economic verities and an objective world that our legislation does not come close to tracking. SB 1071 is structured to conform to our willful delusion. Whether or not this legislation passes, the pension debt problem will continue to get worse. So while we are at it, we might as well pass legislation to outlaw credit downgrades, because more are coming our way. And that law would not be a lie if you believe it.

Our pension debt, which this bill deliberately does not address, and quite frankly, I think was meant to distract from dealing with that problem, is imposing an enormous cost on the Commonwealth. Just the interest on the pension debts of SERS and PSERS is nearly \$4.5 billion a year. That is the equivalent of full salary and benefits for an entire year for 60,000 teachers. In economics, that is called an opportunity cost, and a pretty staggering one.

Here is another cost. Every family of four in Pennsylvania is stuck with \$40,000 of pension debt right now. If a family of four moves out of the State, they immediately get \$40,000 of debt forgiveness. Any family of four outside of Pennsylvania who would consider moving here would get hit with \$40,000 of debt for services they never received. Which way do you think the migration is going to go? You could claim we will have a happy and prosperous future in our Commonwealth, and it is not a lie if you believe it.

I came across, last spring, one particularly poignant example of what is already happening to our State's future. I was at an event that featured an accomplished young man who was a high school senior, yet already a gentleman. After the event I was chatting with him and asked what his future plans were. He told me he was going to Penn State and was going to be an education major because his dream vocation was teaching. I could certainly relate since I had the same dream when I was in high school and turned it into a 40-year career in education. However, I had to ask him if he understood the low probability of getting a teaching job in Pennsylvania. His reply was

arresting. He absolutely understood the situation, and he recited a dozen States where he would have an excellent chance of becoming a teacher. Now, think of that. This young man, one of the best and brightest in our State, has already written Pennsylvania out of his future so he can help develop the future of some other State. Our pension woes are helping to make young people the number one export of our State, and the better educated and more talented they are, the more likely they are to leave. Do you think SB 1071 is going to reverse that sad state of affairs? It is not a lie if you believe it.

Some will admit that 300 pages of complexity in this bill is a bit much, and sure, the bill does not even bother to address the real pension problem, but what is the harm? Well, if you are heading to a garden in your backyard to water some plants and notice that a raging fire is consuming your house, what is the harm in watering the plants? Ultimately, our pension crisis will destroy the future of Pennsylvania if we do not get our priorities right. You can think that addressing retirement plans for future employees who do not even exist yet should get priority over effectively dealing with the costs from the past and present, and it is not a lie if you are foolish enough to believe that. Sadly, our foolishness in this Capitol wreaks massive harm now and into the distant future on taxpayers who depend on us to get our priorities and our policies right. If anyone thinks we are doing that with SB 1071, well, it is not a lie if you believe it.

Mr. Speaker, the comb-over is the often seen tonsorial fix for a man with a bald area on the top of his head, where the hair from the side of his head is combed up and over the bare spot. Some comb-overs look worse than others, but they are all intended to hide a fact of life: the thinning of hair on the top of one's head. As this fact of life progresses, so does the ineffectiveness and the ugliness of the comb-over. Given the thinning and declining assets of Pennsylvania's public pension systems, this proposed legislative comb-over for SERS and PSERS is particularly hideous. SB 1071 is our latest failure to grasp reality. It is a pathetic and disingenuous attempt to cover over and ignore the mistakes of the past that continue to make pension solvency unsustainable. But it is not a lie if you believe it.

Thank you, Mr. Speaker.

The SPEAKER. Representative Mike Vereb.

Mr. VEREB. Thank you, Mr. Speaker.

To avoid a flyover or a flyby, I think as the Speaker would call them, I will be brief.

May I interrogate someone very briefly on this bill, Mr. Speaker?

The SPEAKER. Yes. Sir, whom do you wish to interrogate?

Mr. VEREB. The wonderful gentleman from Chester County, I guess would be good.

The SPEAKER. Yes, sir. Yes. Representative Kampf has indicated he will stand for interrogation.

Mr. VEREB. Thank you, Mr. Speaker.

I am trying to walk from June 30, or whatever the date was in June until current. In that bill, is it your understanding that the difference between that bill and this bill in terms of legislators is that was a mandated and this is an opt-out provision in this one? Is that your understanding compared to what we voted on? Or opted in.

Mr. KAMPF. Mr. Speaker, the current bill before the House allows all SERS and PSERS employees, including legislators in a particular period of time – I think it is about a year and a half

from now – to opt in to the new hybrid plan. My recollection is that the bill, SB 1, we voted on in the summer, that was a mandate for legislators, that they had to go into the new plan.

Mr. VEREB. And is the timeline— You said there is a deadline on the timeline to opt in now as opposed to a timeline when it would be mandated, correct?

Mr. KAMPF. Mr. Speaker, that is correct.

Mr. VEREB. So is it your understanding that in today's SB 1071, that if this bill were to fail, then everything would stay status quo for legislators?

Mr. KAMPF. Yes.

Mr. VEREB. Okay. Thank you, Mr. Speaker.

The SPEAKER. Representative Vitali. Representative Vitali waives off.

Representative Evankovich.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, I would like to ask if the good gentleman from Schuylkill and Dauphin Counties would stand for brief interrogation on the bill?

The SPEAKER. Representative Tobash has indicated he will so stand for interrogation. You may proceed.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, would you please outline – yesterday we had an opportunity, we were almost given the opportunity to vote on amendment A05316, and in fact I believe the chamber adjourned at 11:43 and I believe the PERC (Public Employee Retirement Commission) note on that amendment had come through around 11:41 and we had just adjourned, unfortunately, and gone over second consideration. Do you have the PERC note for that amendment and what the impact would have been and what the change would have been?

Mr. TOBASH. Yes, Mr. Speaker.

That PERC note letter actually became available just about the same time we were adjourning yesterday, and I believe that they indicated from PSERS that there would be a positive impact on savings of about \$130 million over the experience period of 30 years.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, if we look at the available pension plans in Pennsylvania for State employees and teachers—

The SPEAKER. Sir, are you still in interrogation?

Mr. EVANKOVICH. Yes, sir.

The SPEAKER. Okay.

Mr. EVANKOVICH. If we look at the pension plans available for State employees and teachers in Pennsylvania, how many different vesting periods and multipliers are available for people who would currently be employees here in Pennsylvania and future employees coming in 2018 if SB 1071 was enacted?

Mr. TOBASH. There are a number of different plans that are available to employees of the Commonwealth which include higher education. There is an alternative plan for higher education which would have a straight DC (defined contribution) plan, which would have a different vesting schedule. The State Police in the Commonwealth of Pennsylvania are under a different pension system. Act 9 of 2000 I think has a different system that we have right now, and then there was a change in the law in 2010, that is Act 120. So those different plans could potentially each have a different vesting period, but they certainly have different multipliers and different features within them.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Just one last question, and it is just a verification. So for different public-sector employees, if we just look at one grouping, say, teachers. If you are a teacher hired before 2000, you have one pension plan with one vesting period and multiplier. If you are hired as a teacher between 2000 and 2010, you have a different – around those times – you have a different vesting period and multiplier. And if you would be a teacher hired after 2018, you would have a different multiplier, and both of those would be the same for State employees and teachers. But then in post-2018, if you are a teacher, you have a 5-year vest, and if you are a State employee, you have a 10-year vest. Are those pretty accurate details?

Mr. TOBASH. Yeah, my understanding is that within SB 1071 that there is a difference in the vesting period, and for the PSERS system it is 5 years, and for other State employees, the way that bill came to us it is a 10-year vesting period.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

On the bill, very briefly?

The SPEAKER. Yes, sir. You may speak on the bill.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

As we just heard, we could have had an opportunity yesterday to vote on an amendment that is supported by a group of organizations that—

## POINT OF ORDER

Mr. CHRISTIANA. Point of order, Mr. Speaker? Point of order, Mr. Speaker?

The SPEAKER. Representative Christiana, on the point of order.

Mr. CHRISTIANA. I believe many of the gentleman's questions were geared towards amendments, and now his comments are geared towards amendments that may have been offered. I would just ask the Speaker to keep the gentleman on the bill before us and not amendments that were previously offered, withdrawn, ruled out of order.

Thank you, Mr. Speaker.

The SPEAKER. Representative Evankovich, on the bill.

However, in your remarks, positive or negative with respect to the bill, you can talk about what you believe should be in or not in, but you may proceed. But please, if you could be very pointed.

Mr. EVANKOVICH. Yes, sir, Mr. Speaker. I will be very short, as the prior speaker is. So as we, as we—

The SPEAKER. No, no. No, no. Stop. Please stop.

At this time I am going to reference our rules on this. There is no disparagement—

Mr. EVANKOVICH. I apologize.

The SPEAKER. —in any way of any member at all—

Mr. EVANKOVICH. Mr. Speaker, I meant to say as short as he was; sorry.

The SPEAKER. No disparagement in any way at all. We have a very important piece of legislation in front of us. We are going to keep it to the topics at hand, on the subject.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

In short—



### POINT OF ORDER

The SPEAKER. Representative Mustio, point of order? Yes, sir.

Mr. MUSTIO. Speaking from a lower point of view, I did not see it as disparaging at all.

The SPEAKER. Representative Evankovich, you may proceed.

Mr. EVANKOVICH. Mr. Speaker, thank you.

And I do apologize. That was not an intentional remark.

So back on the subject, Mr. Speaker. We have a bill before us that is part way of what we need for pension reform, and I have often argued that sometimes a first down is good enough, and sometimes you position yourself for a field goal. Well, Mr. Speaker, we could vote SB 1071 into law and we would make some revisions to our pension system. The problems with SB 1071 are not just that it does not go far enough for making revisions and changes to the pension system; Mr. Speaker, it creates further disparity in the pension system that, in my opinion and according to some legal experts I have spoken to, will create another additional constitutional challenge. That was the purpose of amendment A05316, was to fix a potential constitutional challenge. You will have two disparaging systems where otherwise those systems have been the same historically.

And for that reason and many others, Mr. Speaker, I encourage my colleagues to vote "no" on SB 1071. Thank you.

The SPEAKER. Representative Pete Daley. Representative Daley waives off.

Representative Jesse Topper.

Mr. TOPPER. Thank you, Mr. Speaker.

As a member of the State Government Committee, I had the opportunity to be a part of the multiple public hearings that we held on pension reform, and I have heard a lot of the arguments that we need to continue letting other pension reforms that have been enacted previously work. But, Mr. Speaker, we have to realize that we are now at the point that it is simply not realistic.

I have heard that the current defined benefit plan will work – and it can work and it should have worked. The problem is, well, the stock market had some pretty major issues. The economy hit some bumps in the road, and previous legislatures and governors underfunded the system. So in order for it to work, Mr. Speaker, we need to have a stock market that never underperforms, an economy that never hits bumps in the road, and elected officials in Harrisburg that never screw up, and maybe there is a land where those things exist, Mr. Speaker, but it is a land where unicorns frolic and play in a grassy meadow. It is not reality. SB 1071 moves us toward reality. It is a system that creates a stable plan for new hires moving forward, and it shifts risk not just for current taxpayers, but more importantly, Mr. Speaker, for future taxpayers.

Now, we have heard, and I think we have all gotten the e-mails, that this produces no immediate cost savings, that any kind of the benefits from this reform will be seen 20 and 30 years down the road. But if more of our predecessors would have thought about what would have happened 20 and 30 years down the road, perhaps we would not be in the position that we are today. Mr. Speaker, it is time that we start to think about what happens 20 and 30 years down the road because that is when our children and our grandchildren will be trying to drive this economy. But instead of thinking about that, we are too caught up in the immediacy of the next election cycle and special interest groups and hundreds of chain e-mails.

Mr. Speaker, my 9- and 7-year-old, I hope they are able to stay in Pennsylvania, and I hope in 20 and 30 years we start to lay the groundwork today so that they can have a better future in this Commonwealth.

And that is why I am voting "yes" to SB 1071. Thank you, Mr. Speaker.

### REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. Representative Markosek.

Mr. MARKOSEK. Thank you, Mr. Speaker.

Mr. Speaker, very briefly, I would ask the members to please vote "no," and I will submit my remarks for the record.

Mr. MARKOSEK submitted the following remarks for the Legislative Journal:

As we have seen with previous attempts to tinker with the pension systems, this plan does not have any impact on the 2015-16 budget. It does not provide any savings to help us close the budget deficit. The number one challenge we are facing with the pension systems is the debt, and this plan will not pay off the debt any sooner than our current payment plan.

And for our school districts, who have been misled to believe pension changes will reduce their payments, under this plan, their employer contributions will continue to increase for the next 20 years.

So-called pension reform is a classic case of bait and switch, erroneously sold to the public as a way to fix all of the State's budget and debt problems. I encourage everyone to take a look behind the curtain, because that is simply not the case.

When you look at the details from the actuarial analysis, you will see that despite the bill's net long-term savings of \$2.7 billion – and by long-term, I am talking about over the next 32 years – there are \$25 billion worth of hidden costs.

This proposal cuts retirement benefits for thousands of current and future workers. In fact, it cuts current employee benefits to the tune of \$5 billion. We all know that cutting current employee benefits is unconstitutional and such an action will be challenged in court. And when that aspect of this plan is overturned in court, the savings will vanish and this pension plan will end up costing taxpayers \$2.3 billion.

So why are we doing this? It does not save any money for the budget. It does not pay off the debt any faster. School districts' pension payments will continue to climb for the next 20 years.

I keep hearing supporters claim that we need to shift the risk from the employer to the employees. If we pass this bill, we are shifting the risk to taxpayers, because in the end, this bill will put an even bigger strain on our safety net programs.

And to top it off, this plan is a more expensive retirement plan. It will cost the State and school districts 34 percent more over the long-term to provide a lesser retirement benefit to employees.

This change could be the first step toward eliminating the defined benefit plan and moving to a full 401(k)-style plan. I do not believe that is the direction we should be moving in – to provide a less secure retirement future for workers.

I serve on the board of PSERS, and with that appointment comes a fiduciary duty. When it comes to our retirement systems, we first need to do no harm. Therefore, I will not be voting for this plan.

Thank you, Mr. Speaker.

The SPEAKER. Representative Tobash.

Mr. TOBASH. Thank you, Mr. Speaker.

I rise in favor of SB 1071. We are here in front of this body again talking about the biggest hole in Pennsylvania's financial statement: our State-run public pension systems. And my comment for today is that an ounce of prevention is worth a

pound of cure – maybe a lot more than a pound of cure, in fact. Pennsylvania taxpayers in the Commonwealth are on the hook within our defined benefit pension system. Let me give you some numbers quickly. We are scheduled within these systems to pay recipients over the next 30 years about \$180 billion, and because it is a defined benefit pension plan, some of that cost is mitigated by an interest rate assumption, and we are hoping to earn 7 1/2 percent.

The Pew Charitable Trusts recently did an analysis – and there are many people that do not believe that we can earn 7 1/2 percent over that period of time – and their analysis goes like this: If we end up 1 percent less, meaning we only earn 6 1/2 percent within those pension funds, our costs will go from \$180 billion to \$276 billion, at the taxpayers' expense. That is 96 billion more taxpayer dollars going through Pennsylvania State government for a 1-percent reduction in our interest rate return.

Now, if we switch to this plan, we are shifting some of that risk. We have got a balanced plan right now, and it will save Pennsylvania taxpayers, during that period of time for a 1-percent reduction, about \$50 billion; \$50 billion. That \$50 billion is money that will not go into our public education system. There are more taxes that will be collected, less teachers, less curriculum, higher property taxes. The idea that we could mitigate some risk and improve the financial statements of the Commonwealth of Pennsylvania because we are making a move by introducing a first mandatory defined contribution element into the Commonwealth, a balanced plan that is shared by the Federal government and about half a dozen other States, is a prudent move. It is the most fiscally responsible piece of legislation that this body will deal with during this session.

This bill does not kick the can down the road. In fact, it forces our pension systems to get a sharper pencil and save money on investment fees which will, again, help bring down the unfunded liability. It begins paying employees at the time of their service instead of asking them to put their contributions into a plan that is \$60 billion in debt. You know, the contributions since 2010 have gone up by about \$4 billion. Since 2010 we are spending 4 billion more dollars into these pensions systems than we were before. No wonder property taxes are going through the roof. No wonder it is 12/19, it is December 19 and we do not have a budget settled. We need to address this problem.

And why did it occur? It occurred because of bad markets. It occurred because of some decisions made by this body many years ago to increase benefits, but more than anything, it was made because this body, from time to time, made decisions to allow us not to pay the bill when it was due, and this pension plan will absolutely get us away from that scenario. We have put off doing what we should have done far too long. Let us not put it off again.

For taxpayers, for students, for future employees of the Commonwealth, please vote "yes" on SB 1071.

Thank you, Mr. Speaker.

## REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. Representative McCarter.

Mr. McCARTER. Thank you, Mr. Speaker.

Again, I would just urge a "no" vote on a very, very bad bill, and I will submit the rest of my remarks for the record. Thank you.

Mr. McCARTER submitted the following remarks for the Legislative Journal:

Mr. Speaker, I rise to talk briefly today about the importance of the pension reform bill before us today. And let me refer to the definition of the "individual investment account" as contained in SB 1071. It reads: "The account in the trust to which are credited the amounts of the contributions made by a participant and the participant's employer in accordance with the provisions of this part, together with all investment earnings after deduction for fees, costs and expenses, investment losses and charges for distributions." Did you catch the last phrase? "after deduction for fees, costs and expenses, investment losses and charges for distributions."

This, Mr. Speaker, is the heart and soul of this legislation. Do not let anyone convince you that this bill is about giving retirement security, saving the pension system because it has a large unfunded liability, or saving the taxpayers of Pennsylvania money, because it does not do any of those things. What it does is give the Wall Street money managers and financial advisers a huge Christmas present, namely the "...for fees, costs and expenses, investment losses and charges for distributions." This is no different than wanting to privatize Social Security. That is billions of dollars that instead of going to the workers in State government, nurses, teachers, social workers, will end up in the hands of professional money managers.

This bill is a travesty for retirement security and ultimately our State. With reduced retirement income for hundreds of thousands of retirees, Pennsylvania's economy takes a hard hit. Dollars that are spent in Pennsylvania by Pennsylvania residents.

If you do not know the figures about how well we all save for retirement, just listen to these very basic statistics. About 70 percent of individuals earning between \$40,000-\$60,000 participate in retirement accounts, but the average amount in a 401 retirement investment account is about \$100,000, and for workers 55 or older it is about \$143,000. These are far from the sums needed to sustain a comfortable retirement.

Mr. Speaker, this bill is not reform. This is redistribution of wealth out of the pockets of the hardworking people from all over the Commonwealth to those who make their money on Wall Street. This bill is about ideology and the extraction of a pound of flesh for a few in the Senate from those that want to increase education funding for education.

This is bad public policy. It does not have anything to do with the budget before us, except to increase spending out of the General Fund to create more bureaucracy. It does not do one thing to help the unfunded liability in SERS or PSERS. That is clear from the PERC note that the Senate did not want us to have. We could invest \$3 million for 32 years in SERS and \$10 million for 30 years in PSERS and get the same savings and still have everyone in the current system with their defined benefit.

Let me end by reminding you of a story you may know from an older movie called, "It's a Wonderful Life," set in the small town of Bedford Falls. It is about George Bailey, who worked hard and sacrificed his own dreams for the good of others in his town, while keeping at bay the greed of Henry F. Potter, the big banker in town. Through the efforts of an angel, George is averted from committing suicide on Christmas Eve and learns that the sacrifices he made for his town have paid off royally because of his many friendships.

Mr. Speaker, the choice before us on SB 1071 is really quite simple. Each of us has to make a choice, do we represent and support the George Baileys of the world or do we represent and stand with the Henry Potters. Contrary to what others have said, greed is not good. I choose to stand with the Baileys and I hope my colleagues will also.

Vote "no" on SB 1071.

The SPEAKER. Representative Kate Harper.

Ms. HARPER. Thank you, Mr. Speaker.

This is a \$1 billion line item in this year's budget – \$1 billion, and it looks like we are going to have to raise taxes on people who do not have defined benefit pension plans like we do to pay it. It went up 25 percent this year, \$1 billion, and you know what? If we do not fix this problem, property taxes across the Commonwealth of Pennsylvania will go up \$1 billion next year also.

So where we are, where we are is we have got a bill that helps us stop the digging in the pension. Stop the digging. It is not perfect. Some of my colleagues think we should have done more. Some of my colleagues think we should go further. It is not perfect. I have been here a few years. I have yet to see a perfect bill. I am still waiting. This bill helps us get a handle on our gigantic pension problem. If we do not get a handle on it, we will continue to raise taxes here and have our school boards at home raise taxes on people who do not have a benefit that we have. How can we vote against it?

We need to do this. We need to do this now. And the Governor has said if we can get it across the finish line, he will sign it. It is irresponsible for us not to do this and not to do this right away.

Thank you, Mr. Speaker.

The SPEAKER. Representative DiGirolamo.

Mr. DIGIROLAMO. Thank you, Mr. Speaker. I will be brief.

I am going to ask for a "no" vote on SB 1071. We do have to do something about our pension problem. The elephant in the room is the unfunded liability. This bill does not address that. I ask for a "no" vote. Thank you.

The SPEAKER. Representative Bryan Cutler.

Mr. CUTLER. Thank you, Mr. Speaker.

Mr. Speaker, I know that I have, whether I wanted it or not, gained a reputation regarding the constitutionality of issues, and a prior speaker had raised the issue of constitutionality in terms of how we treat employees differently. I will touch briefly on that, and then I do want to go to the underlying bill.

Mr. Speaker, the truth is, our current systems already treat employees differently in terms of contribution rates, you know, 6 1/4 into the State employees system and 7 1/2 percent of employee pay into the PSERS system. Mr. Speaker, I would also offer that when you look at the bill, those longer vesting periods actually make sense in terms of the contribution rates that will be required for these new employees. That is perhaps a justification for the difference in the 10 years for the new system, because the way that that investment is structured, it is actually more beneficial to the employee because we are taking less money out of their check for the defined benefit portion. So of course it makes sense that it would take longer to vest that right when you are not losing as much money.

Mr. Speaker, it is hard to top the speech that the gentleman from Bedford gave, but that is literally the very same thing that is driving me. For too long we have sat here in search of the perfect. We have allowed it to be the enemy of good, and in this case, I believe that this, from a realistic standpoint, is a good

bill, a good bill that, as the gentleman from Chester County pointed out, will reduce future liabilities. Perhaps it does not save as much from an actuarial standpoint as we would all like, and if I were personally drafting the bill, I would have probably drafted it differently, but the truth is, this is about risk mitigation. This is about shifting the risk away from the taxpayers onto us as individuals, as employees. And I will speak from the perspective of being a younger family member. I have three kids. Someday I hope that they live in Pennsylvania. However, if this unfunded liability continues to grow – and in my short tenure it has grown by tens of billions of dollars every year always because we were in search of the perfect solution. We wanted the perfect bill to fix the pension problem.

The truth is, I did vote for Act 120, but never did I once think that that was going to be the final stop on pension reform. It was what we could get at the time in terms of being politically achievable and what the Governor was willing to sign. We had an opportunity previously in other sessions under different Governors to get different pension proposals put forth. The truth is, we were not successful at that time, and the political reality dictates this unfunded liability will continue to grow. I, for one, want to avoid future costs, future costs for my kids who I hope will one day live here. And as the gentleman from Chester County pointed out and the gentleman from Schuylkill County pointed out, this risk avoidance as we go forward, missing the assumed rate of return by as little as 1 percent, you are talking tens of billions of dollars over the lifetime of this change. That, Mr. Speaker, is enough for me to vote "yes," because I do think that it is a good bill. It limits our future liabilities going forward, and most importantly, it limits the largest cost driver in our budget.

For my short tenure here, now 9 years, nine budgets, I watched Governor Rendell's last year in office, his budget we put slightly more, or slightly under, rather, \$400 million into the pension system. It was a fraction of the overall budget. This year we will put over \$3 billion into that very same system, and it is scheduled to climb twice more.

Mr. Speaker, it is time that we cut the top off of that mountain and we start paying the bills, and this is a very good start. I urge a "yes" vote.

The SPEAKER. Representative Kampf, on the bill.

Mr. KAMPF. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the bill, maybe no surprise to anybody in the chamber. I have seen a number of e-mails and certainly heard some comments over the last couple of years on this subject about this kind of bill and how it is very tough on current employees, and I would like to first try to disabuse folks of that. I think that is an important point. What we are doing with this bill for current employees is very modest. As some of you know, there is an actuarial calculation for that lump-sum withdraw. We are just making that actuarially appropriate or correct for their future service – only for their future service.

In addition to that, and this is only for State employees, for their future service, we are going to go from essentially a 3-year final average salary calculation without overtime to a 5-year calculation with overtime, and we are going to pick whichever one is higher. So that is a very modest change.

And then we are going to add this concept of shared risk to all of our current classes, and we are also going to give to Act 120 a shared gain. So we are going to give a little and get a little on that. The actuaries, of course, say that that does not do



anything. It is not going to change the bill one way or another because they say that they are going to hit that 7 1/2-percent mark. And if you look at the overall math on what we are doing with current employees, the savings from current employees is about \$6 billion over 30 years. We have got to pay in \$200 billion over the next 30 years no matter what. So if you subtract \$6 billion from \$200 billion, we are talking about a very small change to our current complement of employees. Maybe 2 1/2 or 3 percent for the average current employee over their entire retirement could be affected by this bill. So it is quite modest despite a lot of the rhetoric and the e-mails that I have been reading.

Now, just turning to the subject of the hybrid plan, the future hires. I do not know about you, but I certainly believe that almost everybody in Pennsylvania has a defined contribution plan or a 401(k) plan. And I think actually people are starting to realize, maybe they knew it before, but they are starting to realize that a lot of State and school district employees do not. We have got this massive unfunded liability. We are talking a lot about property taxes going up and the State budget crisis and how we are having to shovel money into this system, and I think they are asking the question, why is there not a DC plan already, a 401(k) plan for current employees in the State or the school districts? This bill answers that question. It is says, okay; we have got some constitutional problems. We cannot get that done for the current employment complement, but for our future hires, you know what? We are going to learn from our mistakes and we are actually going to be like the rest of Pennsylvania. We are going to create a mandatory defined contribution plan. It is not the whole thing. It is not the only retirement benefit that future hires are going to get, but we are going to do it. And I think that is what our taxpayers, our employees expect. They expect that we will learn from our mistakes and we will do something to correct that.

And then I guess, you know, sort of on that subject, this is a good plan for future hires. We are not just talking about a 401(k) plan. We are going to give them a good cushion, a good nest egg with that 1 percent DB (defined benefit) plan underneath it all, and Pew just put out a report on this. When it is all said and done, those future employees are going to be able to replace about 90 percent, 90 percent of their preretirement salary. So that is an excellent benefit. You match up that against any private-sector plan and probably beat it going away. So it is a good plan for the future hires in the State and the school districts.

Really, in the end, I want to finish on the points that the Representative from Schuylkill County made, and that is this subject of risk shifting. You know, Mr. Speaker, we are paying right now an amount equivalent to 25 percent of the payroll of the school districts in the State just for this one benefit. And look at the budget this year, well, the draft budgets this year. Look at the budget this year. We are going to be putting 10 percent of the State budget into pensions, \$3 billion if SERS and PSERS are combined, and that does not even include what the school districts are doing. It is out of hand. And so what we need to do is say, my gosh, how could we have gotten to a point where we are paying for one benefit 30 percent of payroll? All right, we know why we got here. Everybody has talked about that. But then the taxpayer says, "Well, what are you going to do about that?" Well, this plan says for all future people, at least, our cost is only going to be 3.5 percent of payroll, a much

smaller number and a fixed amount. That is a key point in this: 30 percent of payroll versus 3.5 percent – easy choice.

And as the Representative from Schuylkill County noted, if we get this wrong, if we stick with this current system and we miss the average 7 1/2 percent by just one point, one point – and remember, PSERS just announced that last year they missed it by 4 1/2 points – if we miss it by one point, you can complain about the savings in this bill, you are going to have to answer for \$100 billion additional price tag; \$100 billion just because you missed one point.

Mr. Speaker, we cannot go back to our districts, wherever they are, and answer that question with, I am sorry; I had a chance and I voted "no." Please, please for the future of Pennsylvania, for its taxpayers, and for its employees, vote "yes" on this bill.

Thank you, Mr. Speaker.

### LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Matt Bradford is back on the floor and would like to be placed on the master roll. Without objection, that will be granted.

### CONSIDERATION OF SB 1071 CONTINUED

The SPEAKER. Representative Bryan Barbin.

Mr. BARBIN. Thank you, Mr. Speaker.

I rise in opposition to the bill.

In 2009 we voted for Act 120 and we were told it was going to correct the pension problem at that time. The pension problem was about \$40 billion. We are now in a position where the pension problem is now in excess of \$60 billion. I do not believe that this is the time to take small steps to correct a problem or to claim that we have corrected a problem if it does not correct a problem.

The one issue that we have not dealt with is the fact that nothing in this bill deals with the fact that both the Rendell administration and the Corbett administration did not fund the pensions to the tune of \$11 billion. Compound interest on that amount of money is \$20 billion.

Until we take care of that problem, we are not going to solve our pension unfunded liability problem. For that reason I will be voting "no."

### REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. Representative Mary Jo Daley.

Ms. DALEY. Thank you, Mr. Speaker.

I would urge a "no" vote on this, but I will be submitting my remarks for the record. Thank you.

Ms. DALEY submitted the following remarks for the Legislative Journal:

Mr. Speaker, I rise today in opposition to SB 1071.

This bill does not do anything to help the budget. It fails to address a needed revenue stream to cover pension costs in the future. SB 1071 also does nothing to help the working women in Pennsylvania.

With the wage gap beginning as early as age 16 and the average life expectancy around 82 years, a woman could conceivably spend more than 60 years of her life earning less than men in similar jobs. Over a



lifetime, a college-educated woman can expect to earn upwards of \$1.2 million less than a college-educated man, and female attorneys, doctors, and M.B.A. (master of business administration) graduates can expect to earn as much as \$2 million less than their male equivalents.

Mr. Speaker, in Pennsylvania, for a woman earning minimum wage of \$7.25 per hour, a full-time job of 40 hours grosses a little more than \$15,000, barely enough to fund necessities of life, much less save for retirement. For example, the thousands of women who serve as Pennsylvania's educators, nurses, social workers, custodians, administrators – even those in high-level government positions – are now confronted with the possibility that their retirement accounts will be further jeopardized by this bill.

Mr. Speaker, SB 1071 would carve out law enforcement officers from the proposed changes to the pension system, providing for new employees in that category to remain in the current defined-benefit plan.

For the record, I am not opposed to this exemption, but in making public policy decisions, it is important to remember that while jobs do not have an intrinsic gender, a perpetual gender bias is amplified when we create carveouts that could result in unintended consequences.

Mr. Speaker, this is the reality for the women employees in Pennsylvania. Underpaid, and now underfunded, they are confronted with the possibility of retirement insecurity. The failure of the State to uphold its end of the bargain, to make its mandated contributions, has added up to billions in unfunded liability.

Remember, male and female employees of the State are Pennsylvania taxpayers. They contribute to the Pennsylvania economy, serve the public, and pay their taxes. The gender pay gap is linked inextricably to the livelihood of women during all phases of their lives, including their golden years.

Mr. Speaker, the Commonwealth should not be adding to future burdens in human services by underfunding the pensions of future State employees.

What we do today will make an impact on future generations of working Pennsylvanians.

I urge all my colleagues to vote "no" on SB 1071.

Thank you, Mr. Speaker.

The SPEAKER. Representative Reed, on the bill, the majority leader.

Mr. REED. Thank you very much, Mr. Speaker.

Last night I had the opportunity for the first time in a week to leave this Capitol, and instead of driving back to my apartment, I drove across the State, home to my wife, to spend 10 hours with her in my own house and to sleep in my own bed. While I was there, I walked past one of our bookshelves, and I found a book on John F. Kennedy. I opened it up and I looked at it for a moment, and the quote on the first page was this: "The great enemy of truth is very often not the lie – deliberate, contrived and dishonest – but" instead is "the myth – persistent, persuasive and unrealistic." It gave me a lot to think about as I drove back out this morning. The great enemy of the truth is not the lie but the myth.

Today in this Capitol many are holding true to the myth. The people of this State are watching on PCN (Pennsylvania Cable Network) and they are seeing our members debate this issue on the floor. What they should see are the special interests sitting in the gallery joined hand in hand, millionaires and unions working together to defeat public pension reform, and they do so because they have convinced themselves and members of this body to believe in a myth, not the truth.

Members are going to vote for or against this for a number of reasons, but they are going to hold true to myths that just do not exist. The members who vote against this legislation today are removing from this generation a historic time. We have the

opportunity to make historic choices, including this one, to change the path for those who will come after us. We have the opportunity to leave our pension funds in better situations for our children and grandchildren. We have the opportunity today to make a choice that if we choose not to, we will regret, because 10, 15, 20 years from now we will look at the faces of those saddled with the bills that we decided to give them today, and we will know it was us who made that choice. Some may or may not agree with pension reform on the merits. That is a myth of their own choosing. Others are voting based upon other myths, however realistic or unrealistic they may be, but it is a sad day when we miss this opportunity as a body, as individuals, as a citizenry to make a historic change and chart a new path for this State.

Whatever your rationale for voting today, I hope it is not based upon a myth that has been so persistent, so persuasive, but in the end, it is so unrealistic.

I would ask the members to vote in favor of SB 1071. Thank you.

On the question recurring,

Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

#### YEAS—52

Adolph	Harhart	Masser	Sankey
Benninghoff	Harper	Mentzer	Sonney
Causar	Harris, A.	Metcalfe	Staats
Christiana	Heffley	Miller, B.	Tobash
Corbin	Helm	Nesbit	Toepel
Cutler	Hennessey	Oberlander	Topper
Dunbar	Hickernell	Petri	Vereb
Ellis	Irvin	Quigley	Ward
Fee	James	Rapp	Wentling
Gabler	Kampf	Reed	Zimmerman
Gillespie	Killion	Regan	
Gingrich	Krieger	Roae	Turzai,
Greiner	Lawrence	Ross	Speaker
Hahn	Maher		

#### NAYS—149

Acosta	Driscoll	Knowles	Petrarca
Baker	Dush	Kortz	Pickett
Barbin	Emrick	Kotik	Pyle
Barrar	English	Krueger	Quinn
Bizzarro	Evankovich	Lewis	Rader
Bloom	Evans	Longietti	Ravenstahl
Boback	Everett	Mackenzie	Readshaw
Boyle	Fabrizio	Mahoney	Reese
Bradford	Farina	Major	Roebuck
Briggs	Farry	Maloney	Rothman
Brown, R.	Flynn	Markosek	Rozzi
Brown, V.	Frankel	Marshall	Sainato
Bullock	Freeman	Marsico	Samuelson
Burns	Gainey	Matzie	Santarsiero
Caltagirone	Galloway	McCarter	Santora
Carroll	Gergely	McClinton	Saylor
Cohen	Gibbons	McGinnis	Schemel
Conklin	Gillen	McNeill	Schlossberg
Costa, D.	Godshall	Metzgar	Schreiber
Costa, P.	Goodman	Miccarelli	Schweyer
Cox	Grove	Millard	Simmons
Cruz	Hanna	Miller, D.	Sims
Culver	Harhai	Milne	Snyder
Daley, M.	Harkins	Moul	Stephens

Daley, P.	Harris, J.	Mullery	Sturla
Davidson	Hill	Murt	Tallman
Davis	Jozwiak	Mustio	Taylor
Dawkins	Kaufer	Neilson	Thomas
Day	Kauffman	Neuman	Toohil
Dean	Kavulich	O'Brien	Truitt
Deasy	Keller, F.	O'Neill	Vitali
DeLissio	Keller, M.K.	Ortitay	Warner
Delozier	Keller, W.	Parker, C.	Watson
DeLuca	Kim	Parker, D.	Wheatley
Dermody	Kinsey	Pashinski	Wheeland
Diamond	Kirkland	Payne	White
DiGirolamo	Klunk	Peifer	Youngblood
Donatucci			

NOT VOTING—0

EXCUSED—1

Saccone

Less than the majority required by the Constitution having voted in the affirmative, the question was determined in the negative and the bill fell.

### RECONSIDERATION MOTION FILED

The SPEAKER. The Chair is in receipt of a motion to reconsider the bill from Representatives Reed and Cutler and move that the House reconsider, at some point, SB 1071, PN 1481, which was defeated on this 19th day of December and read into the record.

### ANNOUNCEMENT BY SPEAKER

The SPEAKER. Members, there are no further votes today; however, we will be keeping the desk open for committee reports.

We will reconvene at 1 p.m. tomorrow, December 20, 2015.

### INTERROGATION

The SPEAKER. Representative Thomas, on unanimous consent.

Mr. THOMAS. Mr. Speaker, is it possible that you or the majority leader can tell us at what point will the general appropriations bill be brought to the floor for consideration and stop holding this general appropriations bill a hostage for this other stuff? The body has spoken. So can one of you tell us when we are going to take a vote on the general appropriations bill?

The SPEAKER. Representative Reed.

Mr. REED. Given the nature of the last vote, it would be my intention as soon as the House Appropriations Committee kicks out a stopgap version of a general appropriations bill to bring it to this floor for a vote. Thank you.

### RECESS

The SPEAKER. The House will stand in recess until the call of the Chair.

### AFTER RECESS

The time of recess having expired, the House was called to order.

### APPROPRIATIONS COMMITTEE MEETING

The SPEAKER. The Chair recognizes the Appropriations Committee chair.

Mr. ADOLPH. Thank you very much, Mr. Speaker.

Mr. Speaker, there will be an Appropriations Committee meeting in the majority caucus room at 3 o'clock. Thank you.

The SPEAKER. Thank you.

There will be an Appropriations Committee meeting in the majority caucus room at 3 p.m.

### RECESS

The SPEAKER. The House will stand in recess until the call of the Chair.

### AFTER RECESS

The time of recess having expired, the House was called to order.

### BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

### ADJOURNMENT

The SPEAKER. Representative Causer moves that the House be adjourned until Sunday, December 20, 2015, at 1 p.m., e.s.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 3:28 p.m., e.s.t., the House adjourned.