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**LOCAL GOVERNMENT
COMMISSION**
Created in 1935

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House Resolution 212, Printer's Number 1958

A Concurrent Resolution – Establishing a Task Force to Examine the Management and Funding of Municipal Retirement Programs

PROPOSAL/SUMMARY: This Concurrent Resolution would direct the General Assembly to appoint a task force to identify the problems and causes associated with unfunded municipal retirement program liability, examine the management and funding of municipal retirement programs, provide practical solutions to promote the solvency of municipal retirement programs, and consider collective bargaining to the extent that it may contribute to the distress of some municipal retirement programs. The task force would be comprised of 28 members, as follows.

- (1) Four representatives from the Local Government Commission, two of whom would be named co-chairs
- (2) Two members from the following Committees to be appointed by the Majority and Minority chairs:
 - a. The Local Government Committee of the Senate
 - b. The Urban Affairs and Housing Committee of the Senate
 - c. The Local Government Committee of the House of Representatives
 - d. The Urban Affairs Committee of the House of Representatives
- (3) One appointee of the Governor from the Department of Community and Economic Development
- (4) One appointee from each of the following organizations:
 - a. The County Commissioners Association of Pennsylvania
 - b. The Pennsylvania State Association of Township Supervisors
 - c. The Pennsylvania State Association of Township Commissioners
 - d. The Pennsylvania Municipal League
 - e. The Pennsylvania State Association of Boroughs
 - f. The Fraternal Order of Police, Pennsylvania State Lodge
 - g. The Pennsylvania Professional Fire Fighters Association
 - h. American Federation of State, County and Municipal Employees
 - i. The Pennsylvania Municipal Authorities Association

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- (5) A representative from the Pennsylvania Municipal Retirement System appointed by the chairman of its board
- (6) A representative of the Coalition for Sustainable Communities
- (7) The State Auditor General or a designee
- (8) The State Treasurer or a designee
- (9) The chairperson of the Public Employee Retirement Commission or the chairperson's designee
- (10) An expert in public retirement finance and retirement asset management selected by the chairman of the Local Government Commission

The task force would be charged with submitting a report with its findings and recommendations, including proposed legislative remedies, to the Local Government Committee and the Urban Affairs and Housing Committee of the Senate and the Local Government Committee and the Urban Affairs Committee of the House of Representatives as soon as practical.

BACKGROUND: Throughout the deliberations of the Local Government Commission's Act 47 Task Force during the 2013-2014 legislative session, retirement program liabilities were considered a major contributing factor to the fiscal instability of certain municipalities in this Commonwealth. According to the Public Employee Retirement Commission, of the more than 3,000 municipal retirement programs in the Commonwealth, 640 municipalities have distressed retirement programs of which 140 are moderately or severely distressed. The Public Employee Retirement Commission estimated at the end of 2014 that the unfunded actuarial liability of local government retirement programs was approximately \$10 billion dollars.