

COMMONWEALTH OF PENNSYLVANIA

# Legislative Journal

WEDNESDAY, MAY 13, 2015

SESSION OF 2015 199TH OF THE GENERAL ASSEMBLY

No. 30

## SENATE

WEDNESDAY, May 13, 2015

The Senate met at 11 a.m., Eastern Daylight Saving Time.

The PRESIDENT (Lieutenant Governor Mike Stack) in the Chair.

## PRAYER

The Chaplain, Reverend DAVID FARINA, Pastor of Calvary Full Gospel Church, Fairless Hills, offered the following prayer:

Shall we pray.

Our Heavenly Father, we invoke Your blessing upon this gathering today. We recognize our need of You, for without You we are able to do nothing. We pray that You would fill this hall and this Chamber with Your presence today and release to every heart and mind Your wisdom. We pray that there would be an awareness of the needs of the people of our Commonwealth, and that You would put in the hearts of everyone in this room that which would not only honor You, but would bring help and relief to so many people. We pray that this hall will remain a place of honor and integrity. It would be a place where decisions are made that would honor You and bless the Commonwealth as well.

Our hearts today go out to the tragedy that took place in Philadelphia, and we pray for comfort for the families of those who have literally experienced the loss. We pray for health and healing and wholeness for those who were injured. We pray that even in this experience, You will touch many, many lives today recognizing the need and understanding the hearts of people who are saddened and broken. We join together and lift our voices asking for Your help and also submitting ourselves to Your love and to Your authority. In their honor today, we join together and we pray as You taught us to pray: Our Father who art in heaven, hallowed be Thy name. Thy kingdom come, thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For thine is the kingdom, and the power, and the glory, forever. Amen.

The PRESIDENT. The Chair thanks Pastor Farina, who is the guest today of Senator McIlhinney.

## PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by those assembled.)

## RESOLUTION INTRODUCED AND REFERRED

The PRESIDENT laid before the Senate the following Senate Resolution numbered, entitled, and referred as follows, which was read by the Clerk:

May 13, 2015

Senators McGARRIGLE, MENSCH, RAFFERTY, AUMENT, TOMLINSON, CORMAN, PILEGGI, DINNIMAN and YAW presented to the Chair **SR 119**, entitled:

A Resolution urging the President of the United States and the Congress of the United States to reauthorize the United States Export-Import Bank before June 30, 2015.

Which was committed to the Committee on COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, May 13, 2015.

## BILL REPORTED FROM COMMITTEE

Senator YAW, from the Committee on Environmental Resources and Energy, reported the following bill:

### SB 513 (Pr. No. 463)

An Act amending the act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act, in residual waste, further providing for transportation of residual waste; and abrogating a regulation.

## LEGISLATIVE LEAVES

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, I request a temporary Capitol leave for Senator Smucker, and a legislative leave for Senator Greenleaf.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, I request a temporary Capitol leave for Senator Dinniman.

The PRESIDENT. Senator Corman requests a temporary Capitol leave for Senator Smucker, and a legislative leave for Senator Greenleaf.

Senator Costa requests a temporary Capitol leave for Senator Dinniman.

Without objection, the leaves will be granted.

## LEAVES OF ABSENCE

Senator CORMAN asked and obtained a leave of absence for Senator BROWNE, for today's Session, for personal reasons.

Senator COSTA asked and obtained leaves of absence for Senator SMITH and Senator WILLIAMS, for today's Session, for personal reasons.

### JOURNAL APPROVED

The PRESIDENT. The Journal of the Session of March 4, 2015, is now in print.

The Clerk proceeded to read the Journal of the Session of March 4, 2015.

Senator CORMAN. Mr. President, I move that further reading of the Journal be dispensed with and that the Journal be approved.

On the question,  
Will the Senate agree to the motion?

The yeas and nays were required by Senator CORMAN and were as follows, viz:

#### YEA-46

Alloway	Eichelberger	McIlhinney	Vance
Argall	Farnese	Mensch	Vogel
Aument	Folmer	Pileggi	Vulakovich
Baker	Fontana	Rafferty	Wagner
Bartolotta	Gordner	Scarnati	Ward
Blake	Greenleaf	Scavello	White
Boscola	Haywood	Schwank	Wiley
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Corman	Kitchen	Tartaglione	Yudichak
Costa	Leach	Teplitz	
Dinniman	McGarrigle	Tomlinson	

#### NAY-0

A majority of the Senators having voted "aye," the question was determined in the affirmative.

The PRESIDENT. The Journal is approved.

### GUESTS OF THE PRESIDENT PRO TEMPORE PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, today I am honored to introduce a young lady who has been a legal intern in my office, Chloe Zittle. Chloe is a senior at Widener University School of Law. She is graduating Sunday, May 17, and she has been in my office since January 22 of this year, and will be taking her bar exam this summer. She is the daughter of Michael and Brenda Zittle, and I believe her mother is here with her today. Chloe is planning to return to my office in August to continue her internship. So, would the Senate please welcome Chloe and her mother.

The PRESIDENT. Would the guests of Senator Scarnati please rise so that the Senate may give you its usual warm welcome.

(Applause.)

### GUESTS OF SENATOR PATRICIA H. VANCE PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentlewoman from Cumberland, Senator Vance.

Senator VANCE. Mr. President, I would like to introduce McKenzie McAlister. McKenzie is a 2014 recipient of the Girl Scout Gold Award, a 2014 graduate of East Pennsboro High School, and is currently attending HACC majoring in nursing. She is the daughter of Jay and Teri McAlister, who are with her today, along with her aunt Beth McAlister. McKenzie had a very interesting project. It was organizing an inner beauty pageant to highlight and bring attention to the attributes of those with developmental disabilities.

McKenzie has been a Girl Scout for 12 years and volunteers at Bethesda Mission, Ronald McDonald House, and Caitlin's Smiles. Her plans for the future include becoming an RN and then pursuing a doctor of nursing practice degree. Please welcome her to the Senate.

The PRESIDENT. Would the guests of Senator Vance please rise so that the Senate may give you its usual warm welcome.

(Applause.)

Senator VANCE. Mr. President, this next this group is very near and dear to my heart. I have the distinct pleasure of introducing the Cumberland Valley Girls' Basketball Team. The team captured the PIAA Class AAAA Girls' Basketball title on March 20 at the Giant Center by defeating Central Bucks West High School by a score of 40-35. This was the third consecutive year the team made it to the championship game and the second consecutive year that they won the title. They compiled a record of 32 wins and 1 loss for the season. They also were Mid-Penn Conference and District III Class AAA champions. They are coached by Bill Wolf and assisted by Denny Bavaria, Phil Gillis, Jim Poole, and Ashlee Richards. They were led by captains Meghan Rhoades, Taylor Sneiderman, Jennifer Falconer, and Kelly Jekot.

Before I go any further, I do want to say that we had some outstanding awards as well. Just yesterday, they announced the John Travers Award, which is for an outstanding girl basketball player who excels not only athletically but academically, and in her community. We are very pleased that Jen Falconer has won that award. In addition, we have Kelly Jekot, who was 2015 Miss PA Basketball, which recognizes the best high school basketball player in Pennsylvania, both male and female. She was also the Pennsylvania Sports Writers All-State Girls' Basketball Team and Class AAAA Player of the Year for Pennsylvania. Lest we forget the coach, Bill Wolf was the 2014-15 Pennsylvania Sports Writers Coach of the Year. Several of the other girls made the Big 15 team - Jen Falconer, Taylor Sneiderman, and Kelly Jekot - but they played together as a team. They have been a joy to watch all year. I ask you to give them an especially warm welcome.

The PRESIDENT. It is another day and another introduction of champions by Senator Vance. Would the guests of Senator Vance please rise so that we may welcome you to the Pennsylvania Senate.

(Applause.)

### GUESTS OF SENATOR ROBERT F. TEPLITZ PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, today I want to take the opportunity to recognize Gail Johnson, who is seated in the gal-

lery. Gail is a constituent of mine and tomorrow is her last day working here. Gail has contributed 25 years to this great Capitol as an employee of the Senate Page room. She is here today with her husband, Christopher Johnson, who is the director of the Senate Document Room and the Senate Copy Center; her sons, Gabriel and Bart Robinson; her daughter-in-law, Tawana Murphy; her grandchildren, Tierra Robinson and Marcellus Robinson; her sister, Diana Thomas; her sisters-in-law, Karen Johnson and Alicia Johnson; her special sisters, Lori Smith and Lauren McClure; and a host of family and friends.

Like many of our Pages, Gail is a familiar face around the Capitol and I know she will be missed by all of us, whether Senators or staff, who are used to seeing her regularly. The Page room plays an important role in insuring that this legislative body runs efficiently, and Gail's contributions to the Senate over the past 25 years are very much appreciated. I want to commend Gail for her many years of loyalty to the Senate of Pennsylvania, and I have a citation for her to that effect. Right now I ask that my colleagues join me in thanking Gail for 25 years of service and wishing her a long and enjoyable retirement.

Thank you, Mr. President.

The PRESIDENT. Will Gail and her family and friends please rise so that the Senate may welcome you. Thank you.

(Applause.)

The PRESIDENT. The Chair recognizes the gentleman from Erie, Senator Wiley.

Senator WILEY. Mr. President, very briefly, I would like to echo the comments of my colleague, Senator Teplitz. Gail, when I first came into this Chamber, was one of the first smiling faces that I saw. She has been incredibly warm and inviting and we have had some great conversations. She is going to be dearly missed by all of us here in the Senate. So, I wish her the best, and Godspeed.

The PRESIDENT. Thank you, Senator Wiley, and I fully agree.

(Applause.)

The PRESIDENT. Gail is blowing kisses from the gallery.

### **LEAVE CANCELLED**

The PRESIDENT. Senator Smith has returned, and his personal leave is cancelled.

### **GUESTS OF SENATOR ELISABETH J. BAKER PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentlewoman from Luzerne, Senator Baker.

Senator BAKER. Mr. President, before I introduce guests in the gallery, I would like to just say thank you to my colleagues. Yesterday we unanimously adopted a resolution declaring today, May 13, as "Missing Adult Persons Remembrance Day" in the Commonwealth. Before we introduce our guests, I ask everyone to rise and join me in a moment of silence for all of the missing adult persons in the Commonwealth. There are several hundred. We know of several thousand around the country, and before we recognize our special guests who are here to commemorate today's program, let us take a moment to remember why we are here, the victims of our missing persons across the Commonwealth.

The PRESIDENT. Would everyone please rise so that we can observe a moment of silence for missing persons in Pennsylvania.

(Whereupon, the Senate en bloc stood in a moment of silence in solemn respect to the memory of MISSING PERSONS IN PENNSYLVANIA.)

Senator BAKER. Mr. President, I would like to introduce two very longtime friends from northeastern Pennsylvania, Shirley Masters and Joanne Decker, sisters who are joined today by Shirley's husband, Rich, and Joanne's husband, Randy, and family and friends. They are here today to take part in Missing Persons Day in the Commonwealth. They are joined by Dawn Michaels of Project Angel Eyes, Victim Advocate Jennifer Storm, Wendy Stouffer, who is from Lebanon and with them today, who is here on behalf of her daughter, Kortne, who is also missing, and Dr. Richard Scanlon of NamUs, the National Missing and Unidentified Persons System throughout the nation.

These two sisters, Shirley and Joanne, have been working to create awareness, build understanding, and show support for victims and their families. They, like many others, have been impacted by the tragedy of a loved one gone missing. Their sister, Shelve Raft, went missing after her daughter's college graduation party in 2006. So, it is not hard for all of us to imagine the pain of the uncertainty and the inattention that many families of the missing feel.

Today we kicked off a program supporting it with the resolution declaring today Missing Adult Persons Remembrance Day in the Commonwealth. So, what we hope to do is encourage people and officials to give their attention to this problem and to advance the conversation on important changes in law and procedure that could prove helpful in bringing both closure and peace. So, I ask the Senate to offer a warm welcome to all of our guests who are here today for Missing Persons Day in the Commonwealth of Pennsylvania.

Thank you, Mr. President.

The PRESIDENT. Thank you, Senator Baker, for a very important issue. Would the guests of Senator Baker please rise so that we can recognize and greet you with a warm Pennsylvania Senate welcome.

(Applause.)

### **GUEST OF SENATOR CHARLES McILHINNEY PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator McIlhinney.

Senator McILHINNEY. Mr. President, I would like to extend my thanks to my constituent, Pastor David Farina, from the Calvary Full Gospel Church in Fairless Hills, for serving as guest Chaplain today. With him is Mark Ermert, a member of the church and also a constituent. So, please join me in giving them a warm Senate welcome.

The PRESIDENT. Would the guests of Senator McIlhinney please rise, and thank you for your prayer today, Pastor.

(Applause.)

## CALENDAR

## THIRD CONSIDERATION CALENDAR

BILL ON THIRD CONSIDERATION  
AND FINAL PASSAGE

**SB 1 (Pr. No. 886)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 24 (Education), 51 (Military Affairs) and 71 (State Government) of the Pennsylvania Consolidated Statutes, extensively revising pension provisions: for the Public School Employees' Retirement System, in the areas of preliminary provisions, of membership, contributions and benefits, of School Employee's Defined Contribution Plan and of administration and miscellaneous provisions; for health insurance for retired school employees, in the area of preliminary provisions; for military pensions, in the area of military leave of absence; for boards and offices, in the area of Independent Fiscal Office; for the State Employees' Retirement System, in the areas of preliminary provisions, of membership, credited service, classes of service and eligibility for benefits, of State Employees' Defined Contribution Plan, of contributions, of benefits and of administration, funds, accounts, general provisions; and providing, as to the revisions, for construction and administration, for applicability, for funding, for liability, for State Employee member statements and for State Employees Retirement Board obligations.

Considered the third time and agreed to,

On the question,  
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, it is an honor to be here to address such a significant piece of legislation. Before we do so, I want to recognize -- I said in the Committee on Finance earlier this week that I sort of feel like the person who someone else did all the studying for their finals all semester long and I show up here to take the final. Senate Bill No. 1 is really the product of a lot of great hard work by Senator Browne. Senator Browne has been certainly involved in pension issues here for many years. I believe he was the author of Act 120, which began to bring stability to the fund. We all know that Senator Browne was involved in an accident a little over a week ago and he is still recovering. As a matter of fact, he really wanted to be here today, and if he thought his vote was necessary, he would somehow figure out a way to get here today to vote, but more importantly, he needs to take care of his health, and that is where he is. I want to acknowledge the great work that he has done on this legislation and in educating our Caucus.

This is obviously a very difficult bill. We have been working on this for months in our Caucus, talking about different concepts and different issues to help address this very important problem. The public pension system in Pennsylvania is, by far, the largest problem we have. We have a lot of issues in State government we need to address, but they all pale in comparison to what we have to deal with in public pensions. The reasons so are very complex, but the most obvious thing that is facing us today is the skyrocketing contributions that the taxpayers need to make to fund the systems. This year alone, Mr. President, if you look at local and State taxes, it will take over a billion dollars of new money this year to keep our obligations to the pension fund.

That is a billion dollars that could be redirected to a lot of different areas that are not being redirected that have been going into the public pension fund, essentially to fund the status quo.

In 2006, Mr. President, the State, as the employer, we are the employer of the two funds - PSERS, which is the Public School Employees' Retirement System, and SERS, the State Employees' Retirement System - our contribution as the employer here in the State was roughly around \$600 million in our General Fund budget. That is what we have to budget for. This fiscal year, that is going to exceed \$2 billion. Under current law, if we do nothing, it will exceed \$5 billion before we get to the arc and be fully funded in these pension systems. Five billion dollars. Now, imagine that. We have a \$29 billion budget now. We would have to raise taxes \$5 billion just to cover that issue alone. Again, money that could be going to economic development, money that could be going to education, actually into the classroom, money that could be going into technology improvements, and money that could be going into tax breaks for individuals. All of this is going to fund these systems which, essentially, as I said, is funding the status quo.

Obviously, retirement funds are very important to our employees. I am an employee, so I obviously care about the pension system. My wife is a schoolteacher. She is in PSERS. She obviously cares. We were late in life having children, so to speak, and so I am going to be in my 60s before my youngest is through college. I will be paying tuition while collecting Social Security, possibly, and so certainly, we care about retirement just like every other employee cares about retirement. We want to make sure that there is a system here that meets the needs of our employees but also respects the obligations of the taxpayers, and we think this bill will do that.

Mr. President, Senate Bill No. 1 begins to address this significant problem by doing a couple of things. First, it attempts to take the taxpayers out of the risk business, and this is probably the most important thing, Mr. President. There have been decisions made in this General Assembly, decisions that, quite frankly, I supported at the time and, in hindsight, probably wish that I would not have, that ultimately have had an adverse effect on the pension funds. Obviously, we went through two recessions in the decade of the 2000s that had significant adverse effects on these pension funds. In 2008 alone the two funds combined lost \$30 billion in value. Thirty billion dollars. There is someone on the hook for that, Mr. President, and that is the taxpayers. Under the current system, the taxpayers pull all of the risk. Employees do what they should do: They make their contributions, and they have all along. So, certainly they have met their obligation, but the risk in the system goes to the taxpayers, and so when things go bad and decisions are made in Harrisburg and when markets go bad in New York, the taxpayers are the ones who ultimately pay the cost. As I mentioned, they were going to go from less than a half-billion dollars to over \$5 billion in contributions.

So, by moving the system in the future for new employees to a more defined contribution plan, this system will begin to add some predictability for the future of these systems and allow the taxpayers to get out of the risk business. Our employees, future employees, as well as almost everyone in the private sector, will get a defined contribution plan where we, as employees, will continue to contribute to that. They will contribute as well. We will also have a savings plan in here as well and then the retire-

ments will go where the market takes them, as it is in the private sector.

I think probably the hardest thing for the everyday person on the street to understand through the most recent years when their retirement was going down because the marketplace went down, that they had to pay more to keep the State plans up. So not only is that a double hit, not only are you losing money in your own plan, but now you have to pay more taxes to keep the State plans alive. That is a pretty hard pill for everyday people, who are trying to make budgets meet, to swallow. So, by moving to a defined contribution plan, we will bring our pension funds into the 21st century. We will mirror what most private sector plans have, because this is affordable for the future, and I believe begin to recognize the demographics that are so large to us today and dealing with the population growth.

Mr. President, this plan also begins to deal with giving new options for current employees, and this is very important. This is very important for our employees. This plan does nothing for anything that you have earned up to date. If you have been in the workforce for 20 years, 25 years, 30 years, whatever it may be, anything you have earned up to date, you maintain, you keep. Nothing changes. That is important to know, because we do not want people to think, oh my, I have to retire right away before they change the plan and adversely affect my retirement. That is not the case at all. This plan deals with just future benefits.

I know there has been a lot of discussion about whether constitutionally we are allowed to do that. I think this plan is different than anything we have seen before. In 1984, there was clearly a case before the Pennsylvania courts where they ruled, at that time the legislature just tried to increase the contribution to balance their budget, help balance the General Fund budget, and not really give any benefits or any ideas to help the employees at the time, so they ruled that that was not allowed. Well, this plan is different.

First of all, in 2001, Mr. President, we gave all of our employees a benefit enhancement. Our two funds were funded over 130 percent, and so at the time we thought because they are so well-funded, we could give an enhancement to the employees, and we did. So we moved the multiplier from 2.0 up to 2.5, and obviously, over time, again, the employees have made their contributions, but, as we have seen, there has been great pressure on the systems.

So, here is what we tried to do to partner with our current employees, which is so important. First, we want to give them a new benefit that they do not enjoy today. If these systems do well, if these systems earn above the actual rate, which the systems are called for, they should benefit from that. It is their fund, they should benefit from that if the systems are doing well. So, how we plan this is over a 3-year rate, if the systems are making above the actual rate, then the employees will be able to reduce their contribution. That is a benefit they do not enjoy today. Right now, if the benefits are doing well, they do not get a part of that. So, this is something new for our employees. Two, it allows them to reduce their contribution, to go back to prior Act 9 of 2001 to reduce their contribution. It is not the case where they have to raise their contribution to keep the same benefit. We would actually allow them to reduce their contribution, if they so choose, to go back to the prior Act 9. Thirdly, if they want to keep the same benefit, they have the option to do that as well with a contribution.

So, this is different than what we have seen in the past. We believe that this does meet our constitutional mandate. This is a partnership with our employees, but most importantly for our employees, is this bringing stability to the fund? This is their fund that they are invested in. This is their retirement that they are counting on, and right now, Mr. President, we went from a point where we were 130-percent funded and we are now funded at the 60-percent level. Imagine today if we had another recession anywhere near what we had in 2008 or what we had in 2001 and we had the investment losses anywhere close to the \$30 billion we had in 2008. That would put this fund into a death spiral and it would clearly put it at risk to pay out its benefits that the retirees and current employees would be counting on. So, most importantly, this brings stability to the systems.

One of the things the systems have been talking about, as they have come before the Committee on Appropriations for years, is a problem of cash flow. That is why we lost \$30 billion of value in 2008, because of the cash flow issue. This brings tremendous cash flow to the systems. So, working with the employees and working with the benefit changes to allow them some options does the most important thing - brings security to the fund itself. That is why we are making these changes. That is why we think it will bring long-term stability by going to a defined contribution plan. It will reduce the risk to the taxpayers, and then it would also bring current stability to the fund and hopefully make sure that this retirement is there for the long term for our employees.

Mr. President, this bill has enjoyed significant support. The biggest issue, we talked about State taxpayer dollars, school districts are really at risk here. Just remember, school districts only have a slight exemption in their back-end referendum to deal with pensions. As pension contributions skyrocket at these school districts, as they are, they are going to have one of two choices: either raise property taxes, if they can get the vote to raise property taxes, or cut services to the school students. Those are their choices. There are no other choices for school districts. Let us understand what we are talking about. The contributions, under current law, are going to go up significantly to the school districts. If we do nothing to deal with that, they are either going to raise property taxes significantly, or cut services to the students, cut educational programs to the students. Those are the options. There is no door number three. We would like to have door number three, but there is no door number three.

If we do nothing, school districts will either raise property taxes significantly on homeowners, or cut services to students. Those are their options. That is really what is probably driving us as much as anything, and that is why the Pennsylvania School Boards Association has written a letter of support for Senate Bill No. 1.

Other letters of support, Pennsylvania State Chamber of Business and Industry has written a letter of support for Senate Bill No. 1, knowing the importance of economic development, knowing the importance of developing jobs here in Pennsylvania, that until Pennsylvania gets its budget under control, gets rid of the structural deficit that the Governor has talked about, rightly so, to create the economic climate to be able to invest in the future of Pennsylvania, we have to get this under control. So the State Chamber is out for us.

We received letters from the Allegheny Conference on Community Development. Interestingly, from the Allegheny Confer-

ence, Dennis Yablonsky, former DCED Secretary under Governor Rendell, signed a letter of support of Senate Bill No. 1, along with Rob Wonderling of the Greater Philadelphia Chamber of Commerce. In their letter they wrote:

Employers in Pittsburgh and Philadelphia know that public pension reform is needed if we are to grow our economy and to improve government operations. Today, Pennsylvania is facing a sizeable structural deficit. Without legislative action, our pension obligations will continue to consume larger portions of the state budget and further strain the ability of governments, and school districts to maintain, let alone improve, basic services.

These are the two largest cities in Pennsylvania, the economic development organizations which represent those cities, which are invested significantly in the schools of those cities, particularly in Philadelphia, asking us to pass Senate Bill No. 1.

Other letters of support from the National Federation of Independent Business, again, groups looking to create jobs and wealth in our community. The Pennsylvania Farm Bureau is asking us to pass Senate Bill No. 1. The Pennsylvania Coalition of Public Charter Schools is asking us to pass Senate Bill No. 1. The Pennsylvania Business Council supports Senate Bill No. 1. I am going to submit all of these letters for the record so that we can have them in the record.

The message is clear: This is a problem that needs to be dealt with. This is our plan, a plan that we believe is the most comprehensive. This is the most important pension bill that has ever been placed before the General Assembly. It restructures a plan for the future, it develops short-term savings to help offset taxpayers, but most importantly, it brings security to the funds, which is so desperately needed.

Mr. President, I know my colleagues have had different approaches to the pension fund, and this discussion will continue. This is just the Senate's version. Obviously, the House will have its say. The Governor has proposed a pension plan which we will need to incorporate his discussions as well before he signs a bill, but if we want to actually do pension reform, no longer kick the can down the road, no longer put this problem off until tomorrow, no longer trying to get around the edges to try to solve this problem -- this problem is too big to get around the edges. This problem is way too big to deal with this around the edges. This plan, Senate Bill No. 1, will directly impact our General Fund budget. It will directly impact, in a positive way, our school districts. It will preserve this fund for the future, and that is what we are here to do.

Mr. President, as I said in the meeting of the Committee on Appropriations, there is no easy, pain-free way to get out of this problem. But that is our job. That is why we all ran for office. We did not run for office to avoid big problems. We ran for office to solve big problems. We believe that Senate Bill No. 1 will, once and for all, solve the problems dealing with our pension funds, and I ask for an affirmative vote.

Thank you, Mr. President.

The PRESIDENT. Without objection, the letters will be spread upon the record.

*(The following letters were made part of the record at the request of the gentleman from Centre, Senator CORMAN:)*

#### Commonwealth Foundation Support for Senate Bill 1

#### **Senate Tackles Growing Crisis, Advances Responsible Pension Reform *Bill Stops Sending More Public Employees Into Broken Retirement System***

**May 11, 2015, HARRISBURG, Pa.** -- Today, the Senate Finance Committee tackled the biggest cost driver in Pennsylvania's budget: public sector pensions. The committee passed Senate Bill 1, kicking off a renewed push for an affordable and predictable defined-contribution retirement plan for all new state and school district employees--including lawmakers themselves.

"The first priority of any pension reform plan must be to stop throwing more people into a failed system," commented Nathan Benefield, vice president of policy analysis for the Commonwealth Foundation. "Thankfully, the Senate bill takes a critical step by moving new employees to a 401(k)-style retirement system, like in the private sector. The old defined-benefit system has failed both public employees, whose retirement savings are subject to political manipulation and underfunding, and taxpayers, who are on the hook for \$50 billion in pension debt that will continue growing if nothing is done."

"Under this bill, all lawmakers--upon election or reelection--would be enrolled in the new 401(k)-style plan. That should reassure new public employees that the hallmarks of defined-contribution retirement plans, like personal ownership, portability, and guaranteed full funding, are part of a dependable and responsible retirement--one that private sector workers have relied upon for decades."

Benefield continued:

"Over the last six years, pension contributions by school districts have risen by nearly \$2 billion--enough to pay the salaries of 30,000 new teachers. While SB1 isn't perfect, it would stop the bleeding, help prevent future funding crises, and take a big step toward ending the political manipulation of public employees' retirements."

Nathan Benefield and other Commonwealth Foundation experts are available for comment today. Please contact Cindy Hamill at (856) 607-4208 to schedule an interview.

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#### Pennsylvania Coalition of Public Charter Schools Choice, Quality, and Accountability in Public Education

Senator Jake Corman  
Majority Leader  
Pennsylvania Senate  
350 Main Capitol Building  
Harrisburg, PA 17120

Senator Joseph Scarnati  
President Pro Tempore  
Pennsylvania Senate  
292 Main Capitol Building  
Harrisburg, PA 17120

May 11, 2015

Senators Corman and Scarnati,

Pennsylvania's public pension liability is analogous to a car driving 100 miles per hour toward a cliff and the driver doing nothing to stop or slow down to avoid the inevitable plunge into the abyss. This letter is in support of Senate Bill 1 which we see as a rational, reasonable, and fiscally responsible effort to put on the brakes to avoid Pennsylvania from careening over that cliff.

Any rational observer understands that the financial obligation to meet current pension obligations is unsustainable and has been ignored for too long. It does not matter how we got to the current situation, what matters is what we do now to get out of it, with the recognition that the longer the problem is not addressed, the worse it gets. Any other scenario to pay off debt by entering into more debt is fiscally irresponsible and places increased, and potentially crushing, financial burdens on future generations. Such a proposal would maintain unsustainable pen-

sion payments to one class of public employee at the expense of the future financial viability of the Commonwealth.

Charter schools are under intense financial pressure, due in large part to the massive spike in pension costs, and some charter schools have already made the fiscally responsible decision to move to a 401K-type plan for new employees.

Senate Bill 1 wisely recognizes the protection of accrued benefits and the fact that it is not a near-term solution for a problem that has been unaddressed for decades. But, in the long term, it begins to bring public pensions in line with what taxpayers can afford to pay and makes more money available for other pressing needs, including public education.

Senate Bill 1 is a rational, reasonable, and fiscally responsible initiative to address the most pressing economic issue facing Pennsylvania and it is long overdue.

Sincerely,

ROBERT FAYFICH  
Executive Director

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Pennsylvania School Boards Association  
Letter of Support for Senate Bill 1

May 12, 2015

Senate of Pennsylvania  
Re: Senate Bill 1

Dear Senator,

The Pennsylvania School Boards Association would like to take this opportunity to emphasize the need for comprehensive pension reform, and is supportive of efforts in the Senate to move the conversation forward in a meaningful way through the introduction of Senate Bill 1.

The intent of the proposal is to provide a viable plan that would potentially produce significant short-term and long-term savings for the state and school districts. Provisions for plan design changes for new employees are intended to bring long-term savings, while options and changes for current employees' benefits could provide short-term relief by recognizing greater and more immediate savings for the school employers. Without making plan design changes for current employees' future benefits, the savings recognized for pension reform could be diminished.

Allowing Act 120 to play out without further refinement is not a tenable solution. From PSBA's perspective, school districts have been in compliance with the law, but the system is unsustainable and must be fixed now. As the employer, school districts have been making the mandated required contributions to PSERS each year, despite the fact that increased pension costs are wreaking havoc on school district budgets. The lack of comprehensive pension reform threatens actual educational programming of our public schools. When the pension problem is coupled with the escalation of healthcare benefit costs, which continue to outpace inflation and the Act 1 index by a substantial degree, a perfect storm for public education is created.

PSBA wants to ensure school districts can provide a high quality public education and the association remains very concerned that the pension costs will impede the ability to do just that. If no action is taken soon by the General Assembly, school boards and taxpayers face the unenviable burden of coming up with millions of dollars to meet the system's underfunded mandate.

I appreciate your time and attention to these matters. If you have any questions or concerns, please feel free to contact me at (717) 506-2450 x3337.

Sincerely,

JOHN M. CALLAHAN  
Senior Director of Government Affairs

## National Federation of Independent Business Letter of Support for Senate Bill 1

### Memorandum

**TO:** Honorable Members of the Senate of Pennsylvania  
**FROM:** Neal Leshner, Legislative Director, (717) 507-9240  
**DATE:** May 12, 2015  
**RE:** NFIB Support SB1 - Pension Reform

On behalf of the 15,000 small-business members of the Pennsylvania chapter of the National Federation of Independent Business (NFIB), I am writing to urge your **support for SB1**.

Pennsylvania's public pension deficit is the single-greatest financial threat facing the commonwealth, school districts and ultimately taxpayers. Meaningful pension reform must significantly reduce the risk taxpayers have been exposed to and produce savings.

SB 1 significantly reduces the risk to taxpayers going forward by moving future employees into a defined contribution plan similar to the plans currently provided to the vast majority of the private sector. As reported by PERC earlier today, the bill also provides over \$18 billion in savings over the next 30 years.

Pension reform has been debated and discussed through legislative hearings and competing proposals over the last several years. We believe SB 1 represents a comprehensive strategy that takes into account the information learned through an exhaustive process. The time for action on the pension crisis is now, and we would urge your support for SB1.

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### Farm Bureau Letter of Support for Senate Bill 1

Dear Senator,

On behalf of the nearly 60,000 family members of the Pennsylvania Farm Bureau, I am urging you to support Senate Bill 1, introduced by Senate Majority Leader, Jake Corman, to provide comprehensive reforms to Pennsylvania's public pension systems in a manner that addresses both short and long term taxpayer obligations related to financing the systems. Unfunded liabilities are growing at the rate of \$17 million per day, or nearly \$6 billion per year. Without comprehensive reforms, the taxpayers of Pennsylvania will see state taxes and local property taxes increase at unsustainable levels for years to come. The State's credit rating continues to fall as a result of these unfunded liabilities. The time for responsible action by the legislature is overdue. Again, please support comprehensive public pension reform contained in Senate Bill 1.

Thank you for your consideration of this vitally important issue to the taxpayers of Pennsylvania.

JOEL ROTZ, Senior Director  
State Government Affairs  
Pennsylvania Farm Bureau

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### Greater Pittsburgh Chamber of Commerce / Allegheny Conference on Community Development / Greater Philadelphia Chamber of Commerce

Dear Honorable Members of the PA Senate:

The Greater Philadelphia Chamber of Commerce, the Greater Pittsburgh Chamber of Commerce, and the Allegheny Conference on Community Development are writing to issue their support for the principles of pension reform legislation as embodied in Senate Bill 1.

We thank and applaud Senator Corman and Senate leadership for their efforts to introduce this legislation and address this critical problem. Our organizations will continue to work with House and Senate

leaders and the Wolf Administration to achieve meaningful, lasting pension reform.

Employers in Pittsburgh and Philadelphia know that public pension reform is needed if we are to grow our economy and improve government operations. Today, Pennsylvania is facing a sizeable structural deficit. Without legislative action, our pension obligations will continue to consume larger portions of the state budget and further strain the ability of governments, and school districts to maintain, let alone improve, basic services.

Again, we encourage all members of the Pennsylvania Senate to support this pension reform legislation.

Sincerely,

DENNIS YABLONSKY  
CEO, Allegheny Conference on  
Community Development  
CEO, Greater Pittsburgh Chamber  
of Commerce

Rob Wonderling  
President & CEO, Greater Philadel-  
phia Chamber of Commerce

#### Pennsylvania Business Council Support for Senate Bill 1

To: All Senators

The Pennsylvania Business Council urges all Senators to vote in the affirmative for the final passage of Senate Bill 1.

The Pennsylvania Business Council believes it is essential to address the growing liabilities for public pensions at the state and municipal levels. Defined benefit public pensions, as currently configured, have become unsustainable. Moreover, defined benefit pensions make budget-planning and future fiscal forecasting unpredictable. The taxpayers and public employees require and deserve greater accountability and certainty.

PBC clearly recognizes that difficulties posed by current systems are not the fault of beneficiaries or current employees. Commitments must be honored and transitions to new systems and approaches must be fair to public employees. Future systems must be designed keeping in mind the need to attract and retain dedicated, talented and loyal public sector employees.

We believe Senate Bill 1 represents a very positive step forward to resolution of these difficult issues. Senate Bill 1 will be a roll call vote that we track and report to our members. Thank you for your consideration.

DAVID W. PATTI  
President & CEO

TO: The Honorable Members of the Pennsylvania State  
Senate  
FROM: Gene Barr, President and CEO  
DATE: May 13, 2015  
RE: Support Senate Bill 1

On behalf of the Pennsylvania Chamber of Business and Industry, I write to express our support for S.B. 1, which the Senate may consider for final passage today.

The cost borne by taxpayers to fund the State Employees' Retirement System and the Public School Employees' Retirement System is increasing precipitously and the unfunded accrued liability is over \$50 billion and growing. This debt represents the greatest threat to Pennsylvania's long-term fiscal stability. While numerous factors led the state pension systems to this perilous position--including years of underfunding, a retro-active upgrade in benefits and lower than anticipated investment returns--it is clear that addressing this public policy crisis will require concerted attention and meaningful action.

The Commonwealth's public pension crisis affects all Pennsylvanians and its impact will be more acute in the years ahead unless substantial reform is enacted to mitigate increasing costs and address the unfunded liability. Taxpayers are impacted, as rising costs have precipitated and will continue to require considerable additional revenue and higher taxes. Schools are impacted, as a growing portion of school district budgets must be allocated to fund the local share of pension obligations, pulling scarce resources away from classrooms and students. The Commonwealth itself is impacted, as Pennsylvania's credit has been downgraded by rating agencies, which cited state pensions as a significant factor; and lower bond ratings mean higher costs to borrow money. And finally, current and future public school teachers and state employees are impacted, as confidence in the retirement system on which they are depending is eroded.

We believe S.B.1 would put the state pension systems on a path to stability and sustainability. In particular, the PA Chamber supports transitioning new employees to a defined-contribution pension plan. The workplace has evolved tremendously over the years, including worker demographics and the tendency for modern employees to frequently change jobs and careers during their working life. Much of the private sector has acknowledged these changes by adopting retirement plans that reflect this new reality--plans that are more portable and provide more discretion for the employee to make decisions concerning savings and retirement age. S.B. 1 represents a long overdue acknowledgment of this reality in the public sector and we urge your support.

Thank you for considering our views on this important matter. Please contact me with any questions.

And the question recurring,  
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, while I appreciate the comments of my distinguished colleague, I think Members on the other side of the aisle have a different approach specifically with respect to Senate Bill No. 1. For the folks who are watching, this is Senate Bill No. 1, 400-some pages of words and documents and information that over the course of the past 3 days we have been trying to digest.

Mr. President, let me be clear. In this process, Senate Democrats have recognized and continue to recognize and look forward to working towards an appropriate solution with respect to our statewide pension system problems that we have to address, in addition to the municipal side, and let me be clear that we recognize something needs to be done along those lines. As the gentleman has indicated in previous meetings, whether it be in the Committee on Appropriations or on this Senate floor, Senate Democrats for 2 years now have been talking about a different approach, a different alternative to trying to resolve some of the concerns that we have with regard to the stability and the unfunded liability of our pension system. We continue to believe that we have to get something done. So for those in this room, in this Chamber, and those listening and watching, please know that we recognize we have a task before us and we stand ready to work to be able to come to a common ground with respect to where we need to be on pension and municipal reform, but today about pension reform.

Mr. President, our view is that Senate Bill No. 1, despite the comments of the previous speaker, is not the solution. It is not the answer that we need to talk about and it is something that we should reject in this Chamber because it does not meet the needs of the Commonwealth and it does not meet the needs of the individual residents who will be benefitted and impacted by that.



Let me just talk about a couple of things. Through the course of this morning and this afternoon, Members on this side of the aisle will be talking about three things. First, constitutionality and the fact that we believe this is an illegal piece of legislation, that it does not meet the constitutional requirements that our courts have said over the course of years that we cannot impair contracts of our current employees. This bill clearly does. We are also going to be talking about the substance of the bill making significant changes and the impact on retirees and the difference between retirees of pre-Act 120, people who retired under Act 120, and post-Act 120, which presumably could be Senate Bill No. 1 as we go forward, and the distinction between the types of benefits that will be there and the significant reduction in the value of those retirement benefits that, quite frankly, puts folks into poverty when they retire. Our Members will talk a little bit about that.

Finally, Mr. President, we are going to talk a little bit about the process, because I think we all know the process has been flawed. The question I asked yesterday in the meeting of the Committee on Appropriations, and I will ask it again later today on this floor, where are our reformers? Where are the folks who stood up and said we are going to reform government and make changes? We are going to talk a little bit about that today.

I find it interesting that the comments of my colleague were that we have been working on this for months, end quote. That is great, but this Chamber today is 49 people, soon it will be 50 Members, folks on both sides of the aisle. The fact of the matter is one side of the Chamber has been working on it for months, and Senate Democrats have had 72 hours to review it. Now, you may like that because it is a bill that you all think is important to move forward, but Members on this side of the aisle have great respect for this process. They have great respect for the manner in which bills move through this process and designed the designated rules that apply to how we do things here in this Chamber. Today's action, by ramming something through--and let me remind you of the timeline, because timelines are important. First, the bill, after you worked on it for months without our input, gets filed at 4:30 p.m. on Friday. Monday, noontime, we have a meeting of the Committee on Finance, a 400-plus page bill is reported from the Committee on Finance. Tuesday morning it goes to PERC. PERC considers the bill and says, oh, by the way, we did not have time to read the bill, but here is what we think anyhow, without any mention about the specific details of some of the stuff that is critically important to the people of Pennsylvania. We did not have time to read it. Milliman did not have time to read it, other folks did not have time to read it, but go ahead, keep pushing the process forward. Well, we disagree with that. So on Tuesday it is reported out of the PERC committee, then it goes to the Committee on Finance. We still have not had time to review a 410-page bill. It gets kicked out of the Committee on Finance along party lines. Then just yesterday it comes out of the Committee on Appropriations, and here we are today voting on it.

Now, if my colleagues do not recognize a serious flaw in this process in what is being done in this General Assembly with respect to how we move legislation, important legislation--you know, I go back to last week, and we will get into this discussion later, but I go back to last week when folks were on this floor talking about openness and transparency and giving the public time to review bargaining agreements, giving the public 2 weeks

to look at it. Here we are today, totally at the 180-degree end of the spectrum where we have taken a totally, completely different course. It is frustrating to me that we hear folks talking about reform, openness, transparency, and honoring and respecting the process in our rules, but we are here today violating that as we go forward. Mr. President, you have to be consistent. You have to put your money and your votes where your mouth is, otherwise do not spew the rhetoric across this Chamber and across this Commonwealth.

Mr. President, I have a couple of questions that I would like to ask the maker of the legislation, the previous speaker, with respect to this legislation.

The PRESIDENT. Senator Costa requests that Senator Corman agree to stand for interrogation on Senate Bill No. 1. Does the Senator agree?

Senator CORMAN. Mr. President, yes, I do. I would be happy to.

The PRESIDENT. Senator Costa, Senator Corman agrees.

Senator COSTA. Mr. President, thank you very much, and I thank the gentleman. My expectation is that there will be several questions throughout the course of this afternoon that we would like to have answers to. So, I would encourage the gentleman to be ready for a lengthy stay, potentially.

Senator CORMAN. Mr. President, I just finished a cookie, so I should be all right.

Senator COSTA. Mr. President, the first question I have relates to the constitutionality, as I mentioned earlier. The decisions of the courts of the Commonwealth have consistently found that a contract for benefits exists. Pension benefits have been defined by the courts as deferred compensation for services rendered. So my question is, can pension benefits be changed during the course of service or employment to the Commonwealth, or is an employee entitled to the continuation of the benefits that apply at the beginning of their term of service or employment, provided that there is no break in membership with the applicable retirement system and no break with respect to employment within the Commonwealth or a school district?

The PRESIDENT. Senator Corman, is the question one that you understand and are ready to answer?

Senator CORMAN. Mr. President, I began to address this and I thought I did, but I would be happy to go through a little bit of my earlier remarks. As I said before, this bill is different than anything that the courts have addressed before, because the Commonwealth has never defended this case based on the crisis of the funds. Obviously, as I said before, these funds are in a significant crisis as to where we are at a funding level, and where we have to go for the future. We are one significant recession away from a real disaster of these funds, and so the crisis demands action. We think we also, by designing options and new benefits for our employees, have given them options to handle this in the best way, not what they did in 1984. Obviously, we have different courts. We believe these different items meet the constitutional mandate that this bill requires.

Senator COSTA. Mr. President, the gentleman indicated that this particular piece of legislation is unlike previous pension bills that we, this General Assembly, has entertained in the past. Mr. President, it is my understanding that in the early 1980s, as a result of concerns regarding the actuarial soundness of our then Commonwealth pension plans for State employees and teachers, and also budget constraints, that the General Assembly, in 1983,

passed Act 31. That enactment mandated temporary increased employee contributions of 1.25 percent, similar to what we are doing now, in order to provide additional funding for the two State pension systems. Importantly, the increased contribution was not matched by an increase in the retirement benefits of the contributing employee. So we have employees giving more money but not getting any increase in their benefits. Our Commonwealth Court and Supreme Court, as I understand it, rendered decisions striking those provisions, and these decisions are undoubtedly the most important part of this particular conversation with respect to Senate Bill No. 1. Could the gentleman provide for me the distinction between what took place in terms of what I described under Act 31 of 1983 and Senate Bill No. 1, in terms of how he can differentiate the current bill versus that bill, given what we know with respect to this case, as well as a number of other cases that continue to support that concept?

Senator CORMAN. Mr. President, I think I have covered this. I would be happy to talk a little bit more, but I do not want to waste all of the Members' time by going over the same issue over and over. We are obviously going to have a difference of opinion on this, and so he does not believe this bill meets the constitutional mandate. I believe it does. We believe it does based on things that I have previously said. The courts have not ruled on this type of legislation. We have had a benefit enhancement for our employees prior to this, and obviously the funds are in a lot more significant of a crisis now than they were in 1983. This bill also provides new benefits for current employees and options for current employees. So with all of that together, we believe, again, that this bill meets the constitutional mandate.

The PRESIDENT. Thank you, Senator Corman. Something tells me there will be additional questions.

Senator Costa.

Senator COSTA. Mr. President, would the gentleman agree that this is a unilateral change to the pension benefits for current employees?

Senator CORMAN. No, Mr. President. The answer would be no. Again, this is a bill that provides options. It provides new benefits. It allows our employees to reap benefits, if the funds do well, that they have not had before, so I would say, no, this is not unilateral. Thank you.

Senator COSTA. Mr. President, if I could. The gentleman referenced that in the past we have enhanced benefits, and would he agree then in instances where we did enhance benefits, that accompanied with that increase in benefits to the employees and the like that there was an increased obligation on the part of the employees, unlike what we are seeing here today?

The PRESIDENT. Senator Costa asks an interesting question. Senator Corman.

Senator CORMAN. Mr. President, I am sorry, could the gentleman repeat the question?

The PRESIDENT. Senator Costa, please repeat your question.

Senator COSTA. Mr. President, I would be happy to. The gentleman, in his previous remarks, stated that in the past the constitutionality of this particular measure, in part, rests on the fact that we have increased benefits in the past for employees, and then concludes that since we did that in the past, that we can do it again now. My argument, as it relates to the constitutionality of this, and the distinction with respect to the 1983 case I referenced, so my question is, the gentleman says that we increased benefits in the past for employees. My point is, while we

did do that, employees paid more for that benefit. So, as we increase benefits, employees increased their contributions. My argument would be that that is not the case today. We are not increasing benefits today with respect to -- the employees are being asked to contribute more for the same benefit they have today. If they do not contribute more, then we have a reduction in their benefits. I am trying to get clarity in my mind about how the gentleman can say, since we did it before, we can do it again. My counterargument is that we cannot do it in the way he is describing it can be done. So, my question is, can he explain to me, where we have a different set of circumstances, how he can reconcile the Supreme Court case that I referenced with respect to and considering what he referenced in terms of we did it before, we can do it now?

Senator CORMAN. Mr. President, again, we are just going to have a difference of opinion on this. The gentleman has raised his concerns. I think I have addressed this on numerous occasions how this bill is different than previous bills. This is not the same as 2001. Again, we are giving all sorts of options to our employees, which is the most important thing. We have a new court than we had in 1984. Let us understand, the court will be reviewing this. We have had, in our nation's history, courts take different opinions on different matters, but we think this bill, if it becomes law as is, is significantly different than 1984 because of the new benefits that we are giving employees which were not there in 1984. It gives the employees options, options to return to where they were pre-Act 9, but also options to maintain a benefit, if they choose. Again, we are putting the power in the employees' hands, and, finally, most importantly, saving the fund at a crisis that these employees need. It does not do us any good if this pension fund has significant losses again and gets below the 50-percent funding level, which, as most experts would say, dealing with pensions, begins a death spiral. So, we believe there are significant benefits for the employees in this plan and options that will meet the constitutional mandate and, most importantly, secure the fund for the future.

Senator COSTA. Mr. President, that concludes the questions I have for the gentleman. I have a couple of remarks, and then I will turn it over to my colleagues, who I believe have other questions.

One of the other comments that was made was that we are not kicking the can down the road. My belief is, as our folks tell us in the limited time they had to review the 400 pages, that we, in fact, do exactly that. We reset the clock. We reset the clock with respect to the number of years we have to address the unfunded liability nature of the fund. With respect to the concern about choices that school districts and the like have to make right now, the gentleman talked about either cut services or raise taxes, that is not accurate. This bill does not help address that in any way, shape, or form. This piece of legislation has no impact on the upcoming year, and minimal impact as we go forward.

The proposal that Senate Democrats have been talking about for a couple of years now, and Governor Wolf announced and articulated in his budget proposal, provides the immediate relief that our school districts and our Commonwealth need today and going into next year. So to suggest that this legislation is going to have an impact on the upcoming school year is being disingenuous with respect to the nature of the bill and the impact of the bill as it relates to school districts along those lines.

The fact of the matter is, Mr. President, we continue to have concerns about the constitutionality and legality of this legislation, the process and the substance with respect to the impact on workers going forward. But let me be clear again, Senate Democrats stand ready, we continue to support the efforts that we have made along the lines in creating appropriate pension reform to provide relief to our school districts and to provide relief to our Commonwealth and to fix our unfunded liability. We believe in a different approach. We believe that this 400-page bill that is 72 hours old is not what we need to do. This is not the bill that we need to pass today, and we need to get back to the table working together to where we can work to figure out exactly what needs to be done for this Commonwealth.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Lackawanna, Senator Blake.

Senator BLAKE. Mr. President, before I begin, I want to say a few things. First, I want to extend our prayers and our thoughts to the folks in southeast Pennsylvania who were victims of that tragedy there. I also want to say that I appreciate the remarks of my friend and colleague, Senator Corman, the Republican Leader, about the work of Senator Browne on this bill.

I have said on this floor probably a half-dozen times what the Senate Democratic Caucus believes should be the framework for State pension reform, State pension reform that my Leader just expressed is necessary. First, we should not increase the State's unfunded liability, we should not be impairing contracts with our current employees or retirees, we should guarantee a reasonable retirement security for our workers so that they are not dependent on State services in retirement, and we should seek budgetary relief for the State's General Fund and our school districts, to the extent that we can do so. Senate Bill No. 1, unfortunately, fails on almost all of these counts, and as a result, I think we need to reconsider what we are doing. I would beg the indulgence of the Members while I talk a little bit about how we got here.

Too few people really pay attention to the legislative findings of the bills, but the findings in Senate Bill No. 1 do show the depth of deception that is an assault on the sensibilities of our hardworking State workers and teachers. The findings say:

"The General Assembly finds that it is necessary to advance and maintain the long-term stability of public employee pension systems by adopting reform relating to current and to future employees in order to:

(i) Ensure that the Commonwealth and its school districts will have adequate funds to continue to be able to provide retirement benefits for their employees.

(ii) To ensure that the cost of current and future benefits does not jeopardize the ability and obligation" of the Commonwealth "to provide for public education, infrastructure, programs for the elderly and other vulnerable populations," as well as public safety.

It is as if Senate Bill No. 1 was the inevitable course for the pension systems reform and that now today we must take Draconian measures to save the State and protect taxpayers. Well, we need to stop making decisions that make the pension problem worse. Today, we are at another point where we have to decide whether to overreact, make the situation worse, or actually come up with a thoughtful reform that meets the intentions as stated in the bill. Passing Senate Bill No. 1 will make the situation worse.

So, let us look back at the beginning of our pension problems as we all know. The systems were overfunded in the 1990 fiscal

year. The General Assembly provided increased benefits to employees. As Senator Corman has said, this was not a good idea, but it was done. The General Assembly, with help from two governors, continued to make the situation worse. Fiscal year 2000, a year when the benefits were increased, there was a revenue surplus of \$83 million and taxes were cut by an annual cost of about \$608 million. No funds were set aside to pay for the pension benefits that had just been enacted. When the recession hit in 2001, the General Assembly was more concerned with riding out the storm, and that made some sense. One of the things done to help ride out the storm was to artificially reduce the amount of pension contribution that was due, based upon a market value of assets that hid the true cost of our shortfall.

In the years 2004, 2005, through 2007 and 2008, this General Assembly and the Republican Majority enjoyed a healthy revenue surplus each year. They reduced taxes, but, again, unfunded the pension systems. It was not that the costs were too high, it was that choices were made that brought us here today because we failed to fund the systems that are well-managed. In 2004 and 2005, the pension system was underfunded by \$343 million. There was a revenue surplus of \$453 million, more than enough money to pay the pension shortfall, and we chose not to do so. The next year, 2005-06, the pension was underfunded by \$612 million. Again, the budget carried a revenue surplus that was more than the amount needed to pay our annual required contribution. The surplus was \$864 million that year. In 2006-07, the pension was allowed to slip another \$712 million further into debt, and the revenue surplus of \$660 million was not tapped to ease the growing burden. We did do \$200 million in tax cuts that year, however. For 2007-08, the same pattern repeats - the pension was underfunded by \$724 million, revenue surplus of \$176 million, new tax cuts of \$100-million-plus on top of the 2 previous years.

Two-thirds of the unfunded liability, two-thirds of the unfunded liability was a direct result of State policy decisions; first of all, made in 2001, and second of all, in terms of our inability or our unwillingness to meet the actuarially-required contribution. We have only provided 40 percent of the actuarially-required contribution to our pension systems over the past 13 years. One-third of our unfunded liability is explained by the losses in the recession that were discussed by Senator Corman.

So, we are here today because of the choices we made in the past, not because the defined benefit plan is unsustainable, but because we have not been responsible funding it. The systems are well-managed, again, as I said. So, again, I think there is no getting out of what we have done. We cannot get out of this hole in a moment. The unfunded liability is owed for work already performed. There is no way that debt goes away except that we pay for it, which we tried to accomplish thanks to the work of Senator Browne and others in this Chamber in 2010 under Act 120.

Mr. President, I really believe we should step back and take a look at what we are doing here because we do not want to make decisions that will exacerbate an already difficult problem.

I would like to, once again, ask Senator Corman to stand for some questions on the bill.

The PRESIDENT. Senator Blake has requested that Senator Corman stand for interrogation on the bill. Does the gentleman agree?

Senator CORMAN. Mr. President, I would be happy to.

The PRESIDENT. We will consider that an open invitation that is already accepted.

Senator CORMAN. Mr. President, for now.

The PRESIDENT. Please proceed, Senator Blake.

Senator BLAKE. Mr. President, I thank the gentleman and appreciate his willingness to respond. I also appreciate, as he has told me in the meeting of the Committee on Finance and in the meeting of the Committee on Appropriations yesterday, that this is just the start of the process and that we will continue to work together for solutions, but I do have some questions.

The reason that has been repeatedly stated for amending the system, just 5 years after the legislature significantly reduced benefits for our workers because the State cannot afford the defined benefit plan, from what we know about the Commonwealth and the school districts, are they going to experience any savings in the next fiscal year? Perhaps, more specifically, to what extent, and at what dollar value, will Senate Bill No. 1 actually reduce the Commonwealth's obligation in terms of its pension contributions, as well as school districts, within this fiscal year?

Senator CORMAN. Mr. President, what this bill does is tremendously assist in the cash flow issues dealing with the pension systems, something that, as I mentioned earlier, the two systems themselves have come and stated to the Committee on Appropriations that this was a real problem that they needed to deal with. This would assist that. Ultimately, whether there are real savings in our budget and the school districts' will be a decision at our budget table. Obviously, under current law, outside the pension fund under current law there are collars in place that are in statute that will raise our contribution over a period of time. That will be a decision for us when we pass the State budget--and why I have said this is a budget decision that needs to be done with the budget--whether we want to take those savings now, or we want to take those savings later. That is a decision for the General Assembly and the Governor at that point in time.

Clearly, by improving the economic situation of the funds, it gives us that ability, but I am not necessarily advocating for that here today. What I am saying is, that is a decision for a later date, but by improving the systems' economic health, it gives us that option if the General Assembly would so choose.

Senator BLAKE. Mr. President, in response, I want to echo the words of my Leader, that the plan that had been put forth by the Senate Democratic Caucus last year, and that Governor Wolf has brought forth, provides hundreds of millions of dollars of relief in a rather immediate way for both our General Fund and our school districts. I am not sure that Senate Bill No. 1 will do anything close to that.

I understand that money from the cash balance accounts will be commingled and invested along with the money in a defined benefit plan. I also understand that the cash balance plan is going to have no cost to employers. So, does this mean that future workers will be paying into the defined benefit system, supporting the system for current and future pension beneficiaries, but not receiving anything from that particular system?

Senator CORMAN. Mr. President, I am sorry. I was distracted for a second. Could the gentleman repeat his question?

The PRESIDENT. Would you please repeat the question, Senator Blake?

Senator BLAKE. Mr. President, I understand that under Senate Bill No. 1, money from the cash balance accounts is to be

commingled and invested along with the money in the defined benefit plan. I also understand that the cash balance plan will have no cost to the employer, meaning no contribution from the State. Does this mean that future workers will be paying into the defined benefit system, supporting that system for current and future beneficiaries, but receiving no assistance from that system?

Senator CORMAN. Mr. President, the cash balance plan has a treasury rate guarantee that is capped at 4 percent. It also, again, if the plan's actual rate gain is above 7.5 percent, the employee would share in that 50-50 with the employer.

Senator BLAKE. Mr. President, just as a point of clarity, that 4 percent is all employee money and returns on that money, but no employer contribution, am I correct?

The PRESIDENT. Senator Corman, do you concur?

Senator CORMAN. Mr. President, there is not an employer contribution with that, but there is the opportunity, through the treasury rate, to improve upon the 3 percent that has been contributed, and, again, trying to deal with the issue of having a savings plan along with a defined contribution plan. This is part of the bill, as well.

Senator BLAKE. Mr. President, in past actuarial notes that we have had on many pension-related legislation in this Chamber, the incremental cost and savings have been detailed at great length for any element of the proposed plan. I do not see any detail in the analysis that we received yesterday from the PERC actuary. I am interested in knowing whether the gentleman could talk about the increase in contributions for pre-Act 120 employees to keep their current multiplier.

The PRESIDENT. Senator Corman, is the question clear?

Senator CORMAN. Mr. President, unfortunately, no.

The PRESIDENT. Senator Blake, would you repeat your question?

Senator BLAKE. Mr. President, again, I think what I am dealing with here is an actuary that did not give us the total costs or savings that the actual bill, should it become law, could imply for the General Fund. I am interested in understanding what the increase in contributions for pre-Act 120 employees would be in order to keep their current multiplier.

Senator CORMAN. Mr. President, it would be 2.5 percent for SERS and 3 percent for PSERS. Again, that is an option for the employees.

Senator BLAKE. Mr. President, is there a clear understanding as to the impact on the unfunded liability of Senate Bill No. 1? What is the actual impact on our current unfunded liability?

The PRESIDENT. Senator Corman, that is a very good question for you.

Senator CORMAN. Mr. President, as I mentioned before, this bill would improve the economic health of the systems dramatically. I believe the systems' own numbers said that it would be a \$16.2-billion savings for PSERS and a \$2-billion savings for SERS. Obviously, that allows us to reach the arc at a much faster rate and then allows us to begin to take those savings, but we are not going to be putting more contributions in, as we initially thought, and allow us to have options to do what we want to. We can pay down the debt at a faster rate. We can take budget savings. Again, when you have these savings, it gives you options, and again, that is a decision for the General Assembly on how best they want to move forward on that, but you cannot do that if we do not do this bill. This bill gives the savings that we are

trying to achieve, both for the long term and the short term, and ultimately how we apply those savings, whether it is through the unfunded liability or whether it is to the General Fund through budget negotiations, that is a decision for the General Assembly in the future, but it is not determined in this bill.

The PRESIDENT. I anticipate a follow-up question.

Senator Blake.

Senator BLAKE. Mr. President, I appreciate the gentleman's response. I think it is important to keep in mind future cash flow savings are different than paying off existing debt. I think that is an important point that we need to keep in mind here. I think, also, that the obligation for current employees to pay in addition to what they are paying now, in order to retain benefits which they have already earned, and the reduction in benefits, which is rather significant here, including a cash balance plan that has no employer contribution. Those are the things that point to the future cash flow savings. They do nothing, Mr. President, with respect to the unfunded liability of over \$50 billion. I believe we need to be very mindful of the construct of this bill because it does not provide immediate relief to the General Fund, nor does it provide immediate relief to our school districts.

Mr. President, I am going to yield the floor to my colleagues and reserve the opportunity to return for some additional commentary on the bill.

Thank you, Mr. President.

#### LEGISLATIVE LEAVE CANCELLED

The PRESIDENT. Senator Greenleaf has returned, and his legislative leave is cancelled.

And the question recurring,  
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, we addressed this issue in the Committee on Appropriations yesterday. We talked about a number of different things with respect to process, which even their own actuary indicated that they did not have enough time to read the bill. This 410-page bill, 410 pages, even their own actuary, to which we pay almost a million dollars a year, did not have enough time to read the bill to give us an appropriate analysis of what is in it. There was no public hearing, no time for analysis, no time to have a back-and-forth conversation between both sides to deal with an issue here in the Commonwealth of Pennsylvania. There was no real time to do thoughtful, critical analysis, or bring in the right people to help us determine what is the best policy that the Commonwealth can adopt in terms of dealing with this issue.

As I said in the Committee on Appropriations yesterday, and I will say it again on the floor of the Senate, this whole bill, the foundation and principle of this whole bill, is illegal. It is unconstitutional. We have almost 30 years of history that indicates that this is illegal. The concept that the Majority has put together in Senate Bill No. 1 is illegal. It is founded on a notion that is blatantly unconstitutional and illegal because it makes an attempt to go past the court decisions that were determined all the way back to 1984.

So, let me make this simple, because pension conversation, as was stated earlier, can be complicated, can be hard to really fig-

ure out, because there are so many nuances involved in the pension conversation that we have to take the broad issues and make sure that people understand it in its simple self. It is illegal because of this reason--and I will use a real situation. You go to work, or rather you apply for a job somewhere, at any particular place. The person you apply to likes your application, likes your interview, and says, okay, we are going to hire you. At that point, when they say that they are going to hire you, you sign a document, in most cases, that talks about your hours of work, what is required of you, and everything of that nature, and in return for your hours of work and what is required of you, you are provided a compensation package. You are paid for what you are supposed to do, your work. That compensation package usually includes money, usually includes some kind of benefit, hopefully a healthcare benefit, and usually includes some kind of pension or retirement program. You sign off on the agreement and you work. You work for the actual cash, the benefits, and included in those benefits are a retirement, a pension. So you work for that compensation package. It usually has those three principles, those three aspects as a part of it - money, benefits, pension. That has been defined historically as: I work these days, I get compensated in this fashion - cash, benefits, pension. You work Monday to Friday, and on Friday, usually, comes your compensation. Your compensation is cash, benefits, pension.

Now, what Senate Bill No. 1 does, this 410-page document which we only got 4 or 5 days ago, is says, you know what, you can work Monday through Friday, and on Friday, even though we agreed to what the compensation is supposed to be, which is cash, benefits, and pension, on Friday we are going to go back and change what it is we already agreed to. But wait a minute, I already had a signed agreement that I work Monday, Tuesday, Wednesday, Thursday, and Friday, and on Friday I get paid X. We signed that off. That is a contract right on the front end, right in the beginning, and now you are going to tell me on Friday when I am waiting to get my pay, I am waiting to get my compensation, I am waiting to get everything provided for me that I signed off on in the beginning, on the front side, you are changing what it is that we already agreed to, what I was already supposed to receive based on a signed contractual agreement? That is what Senate Bill No. 1 does. It arbitrarily changes, at the whim, what can be provided at the end of that week's worth of work, in its simplest and most honest analysis of the situation.

We say it is illegal for a couple of simple reasons. First of all, that is morally wrong. You sign an agreement on what compensation is supposed to be. You start on Monday and get to Friday, you were told the compensation was going to be this, you get to Friday after you worked hard and put all of your time and effort in, you get to Friday and they say, well, we changed up, it is going to be less. That is morally wrong. It is like a lie. Then we say it is illegal because court cases all the way back to 1984, in Commonwealth Court, in the State Supreme Court, have ruled over and over and over and over and over again that you cannot do that. There is an agreement. You cannot change it. It is a contract. It is an agreement. It is locked in. You cannot do that. It is illegal to do that.

So we have ruled that here in Pennsylvania, but we are not alone. In Oregon, not too long ago, they ruled that you cannot do that. In Illinois, just last week -- I guess when the mad scientists were getting together to draft this legislation, in Illinois just last week they said you cannot do that. It is illegal. So now we are

looking at a bill, Senate Bill No. 1, that on its foundation is illegal. Now, we have a lot of lawyers, some of them serve as Senators, one of them happens to be the Lieutenant Governor of the Commonwealth of Pennsylvania, my friend, a number of lawyers who are staff people who work for the Senate who say when we offer them some ideas about crafting legislation, they say that is a great idea, it is an interesting idea that you have there, Senator, but we cannot write that legislation because it is illegal. It violates decades of law and court decisions that you cannot violate. It is illegal.

So, we say, well, but I really like that idea, and they say, yes, Senator, we understand that you really like the concept, but you know what, it is illegal to do that. You cannot do that. I guess someone did not advise somebody appropriately in Senate Bill No. 1 that this is an illegal document. The foundation of it, everything that comes around here in this 410 pages, which the actuary said they did not have enough time to read—just as an aside, an important kind of point, you know. I think one of my other colleagues will talk about that a little bit in more depth. The foundation principle of it is illegal. Illinois says the concept is illegal. Oregon says the concept is illegal. It is illegal to sign an agreement saying you are going to pay someone X, they work those days and then you say, now we are going to pay you less than X, even though you already agreed to it.

Now, maybe there are some folks around here who think that all they really want to do is get this into the court system. Maybe they think that through their abilities of influence and what have you, they will have an impact on the court system. Elect new judges, elect new Supreme Court Justices, and get the decision that they paid for. I said it. Maybe that is what we are really dealing with here. What we know is this, that this is an illegal document. The relevance to any savings that anyone says that they can achieve under this illegal document is wrong on its face. They will say that there is \$16 billion of savings available by adopting the principles in Senate Bill No. 1. When it is ruled illegal, \$13 billion of savings of that \$16 billion will be wiped away. They will disappear. That is what will happen. So now we are dealing with an illegal piece of legislation that is in front of us, Senate Bill No. 1, and we are dealing with principles of savings or projections of savings that will disappear. That is called voodoo economics. That is called mystery math. That is called playing a hoax on the people of the Commonwealth of Pennsylvania.

This is a joke in its foundation, and it is a joke that is not funny, because it is a hoax based in its illegality. You cannot agree to pay someone X and then when it comes time to compensate them, tell them, well, you are only going to get what you signed for if you put a little more into the kitty, and then you will reduce that. It is unacceptable on its face, Mr. President. When we say illegal, it is based in that very basic, simple understanding that everyone needs to be clear on.

There are tons of other issues with this legislation. The issue of process, the fact that there was no appropriate analysis done, the issue of the fact that this was rammed through the system, this 410-page bill was rammed through the system with no negotiation, no conversation between both sides of the aisle, no dialogue to try to come up with a constructive solution to the problem, no interaction with the front office, with the Governor's Office, no substantive process that has meaning and matter in this legislative body.

The numbers do not add up, the process is wrong, and on its face, based on court decisions that date back almost three decades, going back to 1984, Pennsylvania decisions, this is an illegal piece of legislation that has no foundation in any one of its assertions that it will be achieved. Just read this paragraph from the PERC actuarial statement, on page 22:

Potential Contract Impairment. Historically, public employee retirement benefits are recognized as deferred compensation for work already performed, which confers upon public employees certain contractual rights protected by the Pennsylvania Constitution (Article I, section 17). As written, the active member benefit modifications proposed in the bill may be found to impair the benefit rights of the affected active members.

Simply put, you work on an agreement of compensation, you get to the time where you are supposed to be provided that compensation and then the bosses, the supervisors, the employers, say, no, you get paid less. That is what is in Senate Bill No. 1. That is why it is illegal. I would propose that any person working in the State of Pennsylvania needs to be very concerned about going down this particular path of changing compensation rules at the end of the period that an individual works, because as the old saying goes, there but by the grace of God, go I. If that, in fact, becomes the law of the land here for public employees in the State of Pennsylvania—and we are not talking, to be mindful, Mr. President, about very wealthy individuals here. We are talking about bus drivers and cafeteria workers and schoolteachers and traffic guards, and things of that nature. We are not talking about high-end employees here. In fact, if that becomes the law for these individuals, how soon could it become the law for any other person working in the State of Pennsylvania? How long will it take?

Look around you. Think about your own family members. Think about the people who live in your neighborhood, who you work with, who you go to religious service with. How long before they are impacted in a similar fashion? How long before they have an agreement of compensation that is changed at the whim of the employer because they just simply can?

Mr. President, Senate Bill No. 1 is unconstitutional and illegal on its face. I will say it. I said it 100 times yesterday. I will say it 100 more times today. But let us be clear that the basic principle of anything that comes out of this document is wrong and it is based on something that is illegal in base and in its nature.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Farnese.

Senator FARNESE. Mr. President, would the prime sponsor of the bill be willing to stand for brief interrogation?

The PRESIDENT. Senator Farnese asks Senator Corman if he would agree to stand for interrogation.

Senator CORMAN. Sure, Mr. President.

The PRESIDENT. He agrees to do so.

Proceed, Senator Farnese.

Senator FARNESE. Mr. President, in listening to the questions in the earlier interrogation, there were some questions regarding the reasons and rationale for putting forth the bill. So, in order to stay away from material that has already been covered by the prime sponsor, my question would be the rationale. Is the rationale for advancing Senate Bill No. 1 that the financial conditions within the Commonwealth require a change in the benefit

structure? Would that be an accurate recitation of the rationale for advancing the bill, Mr. President?

The PRESIDENT. Senator Corman, is the question clear?

Senator CORMAN. Mr. President, yes, it is.

The rationale for advancing the bill is that this fund, over a 13-year period, has had a \$78-billion swing to the point where it had a \$20-billion surplus to a \$58-billion deficit, unfunded liability; a \$78-billion swing in 13 years for this fund. This fund is in crisis. This fund needs action by the General Assembly to stabilize it and to make sure that we have funds in place to meet the mandates of the retirements for the future. A \$78-billion swing, Mr. President, in 13 years I think is unacceptable, and it is time that this General Assembly takes action to secure these funds for the future. That is the motivation for this bill.

The PRESIDENT. Thank you, Senator Corman.

Senator FARNese, do you have further questions?

Senator FARNese. Mr. President, yes.

The PRESIDENT. Please proceed.

Senator FARNese. Mr. President, actually, if I could go to some brief comments first and then go back to brief interrogation?

The PRESIDENT. That would be in order. You are in order, Senator FARNese.

Senator FARNese. Mr. President, with regard to the comments that the speaker made with regard to crisis and earlier comments that the fund, at this point, the situation in the Commonwealth has never been, the Supreme Court has never addressed a situation like this because the crisis is dire, I think he said it was a disaster, we have never been presented with a situation like this. Well, these exact reasons, Mr. President, were referenced a week ago by the Illinois Supreme Court in the *In re Pension Reform Legislation* in which the Supreme Court was presented with those exact same arguments by the legislature, that the crisis had become so far-reaching, so critical that the impairment of a contract--the established employee contract rights had to be subject to impairment. What the court said, Mr. President, is exactly in response to the argument that the previous speaker made when I asked him what is his rationale. He said a crisis, we have a crisis in the Commonwealth. The court said, Mr. President, that "Crisis is not an excuse to abandon the rule of law." Rather, "It is a summons," Mr. President, "to defend it. How we respond is the measure of our commitment to the principles of the justice we are sworn to uphold."

Later, in that same opinion, Mr. President, along the same issue, whether or not those principles could be abandoned because the legislature finds itself in a state of crisis, in a state of panic, a billion-dollar deficit, the court went on to say that those difficulties, "substantial budgetary challenges currently confront the..." legislature..."are undeniable, and we are highly cognizant of the need...and restraint in our spending. As administrators of the judiciary, we make every effort to economize whenever and however we can. One thing," the Supreme Court said, "we cannot do...is ignore the Constitution," is ignore those benefits, those contracts, which we made with those employees. Then, later, it said, Mr. President, that "To confer such authority on the legislature," in other words, to do exactly what we are doing today, to change those contract rights, to go in and try to impair those agreements that have been contractually agreed to between the parties, between the State and those employees, would be to "ignore the plain language of the constitution and to rewrite it to

include 'restrictions and limitations that the drafters did not express and the citizens of Illinois did not approve.'"

There is no reason, Mr. President, according to the Supreme Court of Illinois, May 8, a week ago, addressing the same exact issue, when confronted with this, said that the State's position, economic conditions, no matter how dire, how critical, how uncontrollable they may have become, no matter how bad it is, nothing is justified, the economic circumstances do not justify doing away with those pension protections that the Constitution was designed to protect.

So, Mr. President, clearly, this issue has been addressed a week ago. It does not matter how bad things become. I think we all understand that, Mr. President. There is no question that we all agree there is a problem. We agree there is a problem. We disagree on the process and the way we are doing it today. But let us be clear, because at some point a court is going to review what we said and what we refer to today, and I want to make sure that they have an opportunity to go and see what we are talking about. "Crisis," Mr. President, "is not an excuse to abandon the rule of law. It is a summons to defend it," *In re Pension Reform Litigation*, Illinois Supreme Court.

If the maker of the bill, again, Mr. President, is willing to stand for brief interrogation, I do have a few more questions.

The PRESIDENT. Senator Corman, you are prepared. Thank you.

Senator FARNese. Mr. President, with regard to the inclusion of the legislation, is the judiciary, Mr. President, which are Justices, judges, and magisterial district judges, included in the provisions of this legislation?

Senator CORMAN. Mr. President, for new judges it would be in DC. For current judges, there is no impact because they were not in Act 9.

Senator FARNese. Mr. President, and a follow-up, with regard to the judiciary, are they scheduled for the same unilateral benefit reduction or higher contribution increases as other State officers and employees?

Senator CORMAN. Mr. President, I am happy to stand for interrogation, but I take exception to some of the characterizations that the gentleman is using on the legislation. Having said that, I think I just answered his question before in saying that current judges, because they were not involved in the Act 9 legislation, are not impacted in any way in this bill.

Senator FARNese. Mr. President, how about those judges prior to Act 9?

Senator CORMAN. Mr. President, again, I can say it for the third time, judges who are currently acting as judges were not impacted because they were not involved in Act 9. Only new judges who are elected in the future would be impacted as far as going to defined contribution.

Senator FARNese. Mr. President, my next question will be, PSERS and SERS will be entrusted with enormous decisions, such as plan design, the investment vehicles that are available to members, fees that will be charged to pay the third-party investment companies, along with a wide variety of policy and regulatory responsibilities. Can the gentleman say with any confidence that this is not an illegal or inappropriate delegation of legislative authority?

The PRESIDENT. Senator Corman, I am very excited to hear your response.

Senator CORMAN. Mr. President, yes, I am confident that it is legal and appropriate for the General Assembly to delegate whatever form of responsibilities that this body would decide. I would also mention, which I did not get a chance to before, if the gentleman would give me a little leeway to move away from his question to mention that there is significant reform as far as putting a commission together to review and provide oversight to these boards and to make recommendations to the General Assembly, as well. I did not mention it in my earlier comments, and I can get into more detail later, if you would like, but something that I know the Governor has talked about as far as reviewing how much we are paying money managers, and things of that nature. This bill, for the first time, would address that very issue and have an independent commission review it and report to the General Assembly on the actions of those boards.

The PRESIDENT. I am sure the gentleman would be delighted to confer with you. Thank you, Senator Corman.

Senator FARNese, additional follow-up?

Senator FARNese. Mr. President, yes.

The PRESIDENT. Please proceed.

Senator FARNese. Mr. President, what legal analysis is the gentleman relying upon to come to the conclusion that the courts will view differently the increased employee contribution required in Senate Bill No. 1 to keep the same 2.5 percent multiplier than they have in previous court rulings?

Senator CORMAN. Mr. President, I appreciate the questions and I am happy to stand for them, but this is about the fourth or fifth time around on this particular question. They may not agree with our opinion, but I think it has been stated clearly why we believe this bill is constitutional, and maybe someday if it gets to a court they will decide, but I am happy to clarify questions for the Senator and anyone else, but I do not think we are going to review the same question seven or eight times.

Senator FARNese. Mr. President, what about the change in current employee benefits that are also going to lead to reduced benefits, such as the changes to Option 4 or the changes in the final average salary? What is the analysis or documentation on which the gentleman relies upon to find that those changes are constitutional and will pass constitutional muster?

Senator CORMAN. Mr. President, again, same answer.

Senator FARNese. Mr. President, Section 7 of Act 66, 1981, known as the Public Employee Retirement Commission, states that "no bill proposing any change relative to a public employee pension or retirement plan shall be given second consideration in either House of the General Assembly, until the commission has attached an actuarial note prepared by an enrolled pension actuary which shall include a reliable estimate of the cost and actuarial effect of the proposed change in any such pension or retirement system." My question is, Mr. President, was the maker of the bill and their staff and those whom they relied upon in preparation of this bill aware of those requirements that I just read?

Senator CORMAN. Mr. President, yes.

The PRESIDENT. He states affirmatively.

Senator COSTA. Mr. President, do you believe that in preparation for Senate Bill No. 1 that they have met all of those requirements, as I just set forth?

Senator CORMAN. Mr. President, yes.

The PRESIDENT. He states once again that the answer is yes.

Senator FARNese. Mr. President, my follow-up question, and I appreciate the gentleman's answer, would be that on the

first page of the actuarial note provided by Milliman, it states that, and I quote, "Due to time constraints dictated by the Commission for providing this actuarial note," and as you know, Mr. President, this was done in about a 72-hour, give or take, time period in which the bill was made public, and of course we are here today. So in light of that, the actuarial note reads that, "we are providing this letter without a complete review of all facets of the legislation...." Let me read that again, and I quote that:

Due to time constraints dictated by the Commission for providing this actuarial note, we are providing this letter without a complete review of all facets of the legislation nor all actuarial cost projection information used by the system actuaries in their analyses. We are disclosing that the time available for preparing this letter was insufficient to perform a complete review and thus, this letter should be considered preliminary in nature. If additional time was available, along with additional information, our results and commentary may be revised and/or expanded.

So, my question, Mr. President, in light of that, is do you believe, again, that in preparation, in making this bill available to the public and in bringing it to the floor today for a vote, do you believe that, in light of what I just read, what was said by Milliman on the first page of the note with regard to the actuarial analysis, do you believe that the requirements have been met and that we have presented the public with a piece of legislation that meets all of the facets and preliminary analyses that I just read into the record?

Senator CORMAN. Mr. President, first off, let me applaud the Senator and his staff and the staff over there for, although apparently having a limited bit of time to review this legislation, they seem to have a very in-depth knowledge of it and seem to be able to ask very technical questions. So, I want to compliment them for their great work.

The short answer to the question is, yes. Again, the PERC process is an independent process. The actuarial analysis was done. The commission voted by a 6-2 vote to endorse the recommendation of the note done by the commission. When asked directly, the executive director, Jim McAneny, who has been there for over a decade, if he was comfortable and agreed with the analysis, his answer was unequivocally, "yes." So, I do believe that all of the requirements of this bill to be addressed today by this Senate have been met.

Senator FARNese. Mr. President, I appreciate the kind comments by the former speaker. You may have taken your final exam today; we took ours last night.

Mr. President, I am going to relinquish the interrogation part and make some brief comments and wrap up.

The PRESIDENT. You are in order, Senator Farnese.

Senator FARNese. Mr. President, with regard to the comments and questions about the legal analysis, I want to make sure that we point the courts to specific case law. Unlike the Federal courts and the courts of some other sister States, the Pennsylvania court applies a strict construction to Article I, Section 17, of the Pennsylvania Constitution when applied to statutory retirement benefits. I would direct the court to *Retirement Board of Allegheny County vs. McGovern, C.C.* Section 17 is the Commonwealth's version of the constitutional prohibition against the impairment of contract.

Also, when the Commonwealth attempted to raise future contribution rates for current employees to address increased em-



ployer contributions, the court struck down the statute as a violation of Section 17. Again, I will direct any future court review of this record to the *Pennsylvania Federation of Teachers vs. The School District of Philadelphia*, and *The Association of Pennsylvania State College and University Faculties vs. The State System of Higher Education*.

Mr. President, I think that it has been said earlier, but I will just wrap up, that we do not have a problem, Mr. President, with what the issue is facing the Commonwealth. We all agree that there is a problem, but we do not agree with the process chosen today. I would refer to some very wise and well-reasoned remarks that were made on this very floor, Mr. President, a week ago today, almost at this very hour, by a speaker on the other side of the aisle when the Senator said that--

The PRESIDENT. Would the gentleman yield. We are doing well on this debate. We are moving forward, we are timely, but it is important that everyone give the speaker your attention or keep your conversation to a moderately low level.

Please proceed, Senator.

Senator FARNESE. Mr. President, I will, again, return to those very wise and very prudent remarks that were made a week ago by a speaker, almost at this very hour, with regard to the public notice bill, when the speaker said, this is an issue of transparency. I quote, "The public deserves an opportunity to weigh in on these important decisions in the same sense that they have to weigh in on the regulations made by departments, legislation made right here in our legislature, or certain grants dispersed by various departments." That was the reasoning, that was the well-reasoned argument and opinion of a speaker from Fayette County who stood here and made those very, what I believe to be, extremely well-made, well-reasoned, and intelligent remarks.

My last comment would be, why do we not listen to those remarks today, Mr. President? Why do we not follow what the speaker from Fayette County said last week, that the public deserves an opportunity, not just on that bill, Mr. President, but every bill, the public deserves the same opportunity that they had 7 days ago when we addressed the issue of collective bargaining. They deserve that, they deserve more than 72 hours. Like the speaker said, they deserve an opportunity to weigh in on these important decisions.

Mr. President, the prime sponsor of this bill said that this issue is dire, that it is critical, and that we are facing a disaster. So again, I believe that we should follow the sage advice made here last week and put this bill aside, allow opportunity for further discussion, get back to the table, and allow the public to weigh in. We agree, Mr. President, that there is a problem. We agree that it is dire. We agree that we are in crisis. We agree, we agree, we agree, but we do not agree with the way we are ramming this through right now. That, Mr. President, is wrong. Thank you.

The PRESIDENT. The Chair thanks the gentleman for his thoughtful inquiry.

#### LEGISLATIVE LEAVE CANCELLED

The PRESIDENT. Senator Dinniman has returned, and his temporary Capitol leave is cancelled.

And the question recurring,  
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Indiana, Senator White.

Senator WHITE. Mr. President, I am not even going to begin to try to get into the arguments on the constitutionality of this issue. I have listened to Senator Hughes's very passionate remarks. I tried to pay attention, and I am at a loss for words. Some of the constitutionality issue is above my head.

But prior to me entering the Senate in 2001, I was in the financial services business since 1974. During that time, all pensions, when we look at this historically, were all defined benefit plans, each and every one of them. It started in some parts of the country in the late 1940s, 1950s, 1960s, through most of the 1970s. Now, in my career, at my peak, I probably had anywhere from 50 to 75 pension plans, everything from 5 employees to 2,500 employees. I started in 1974. They were all defined benefit plans. Starting in 1979 to 1981, I am not sure exactly which year, they were all, very slowly, converted to either a profit-sharing plan or what we know today as a 401(k). Every one of them. By 1986, each and every one of those plans was converted to one of those either profit-sharing plans or 401(k). 1986. Now here we are, for all State and public employees, 29 years later and we have not seen fit to do anything about it.

When I came here in 2001, and I look around, I can see some faces that were here in 2001. There are not many of us left, but some of us were here. Now in that year, 3 months into my first term as a Senator representing the 41st Senatorial District, I was asked to double my pension and give the teachers a 25-percent increase. Now prior to this, and we always take the blame, the General Assembly, Governor Ridge, during his last 4 years in office, we underfunded our obligation to the pension plan. We take the blame for that, but let us not forget that all of our school districts signed off on that too. They loved it. Nobody can say that there is not other blame to pass around other than the General Assembly.

I knew that the pension issue and defined benefit plans, because of my experience, was going to be an issue, and it was an issue from that very first time. When we had that vote on increasing our pensions, which passed, we were told, my friends in the House, my friends on the Democratic side, and the Republican side here in the Senate, we were told that fiscally we could handle it. Obviously, we were wrong. Within 16 months of that, we had the downturn of 2002. We had 9/11, not to forget, 9/11 occurred.

Now we have a different situation. So here I am, my first 6 years, I will never forget sitting in caucus and cheering as my dear departed friend, Senator Mowery, came into the room and twice reamortized that note, which lowered some of our payments. But it did not solve the problem. It did not solve the problem at all. Then came 2008 and panic set in. We took a hit. Anybody that has a 401(k) that came from the private sector understands that. Mine took about a 30-percent hit. I have only recovered during the last 2 years.

But, here we go again. We have a Governor who has so little regard for this issue that he wants to basically issue a \$3 billion bond that, I guess, will be used to fund our obligation for the immediate future. I compare that with my business background to using a credit card to pay the mortgage. I just do not think it makes any sense. We are going to keep going down this road, I am afraid. I understand the different points of view on this and

what you are trying to protect. My friends on the other side of the aisle have been adamant and unified, but we continue down this path. I think what we need to think about is how do we kick this can down the road? There is a day of reckoning coming for all of us. You know what it has done to our bond ratings. You know what it has done to the public perception of this - 75 percent of the people think we need to convert.

I think that by continuing to kick this can down the road, and talk about any bit of any page of that bill you want us to see, we are jeopardizing the obligation that we have to these people down the road. If we do not do something now, and we have sat around, I have sat around here for 15 years and have done nothing about it of any significance, we need to insure the future of this obligation to the public employees who work for us whom we know and respect. I know there is pain. There is always pain in this room, but with this bill, we have to swallow it one way or another. I will let the lawyers and the judges fight about the constitutionality. I am talking about doing the right thing, and the right thing is finding a way to convert this obligation into something that shares the risk.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, like my colleagues on this side of the aisle, I rise in opposition to Senate Bill No. 1. I will try not to repeat what has already been said, although I agree with my colleagues and the points that they have made, but I think that there are a couple of points worth highlighting.

Senate Bill No. 1, to me, is built on false promises and false premises. False promises are to the employees - State employees, teachers, and other public employees - who have been able to calculate their expectation of a pension based on their projected career, based on the publicly available formula, and made decisions based on that expectation. There is longstanding legal precedent that we have already discussed about the unconstitutional impairment of contracts. It is simply not fair for the State to tell these employees that what you have planned for, what you have built your career around, what you have, perhaps, turned down other opportunities for, is not going to come to pass, even though you, the employee, have done your fair share. It seems particularly clear to me, not just as a fairness matter but as a legal matter, that if you need the employee's consent to enhance their benefits, as occurred in 2001, it is obvious that you need their consent to reduce their benefits. That is obvious.

Furthermore, in my view, telling employees that you can keep your current benefits but you have to pay more for it, that is not reform. That is extortion. That is pulling the rug out from under employees who have built their careers and made their family's plans on a certain expectation that they had every right to have. As a lawyer, I cannot knowingly vote for a bill that is obviously unconstitutional. That is a threshold issue, regardless, even if I agreed with the merits, regardless of how popular it may be. We have seen this happen recently. There was a rush last fall to pass what was called the Revictimization Relief Act. There were a few of us in the entire General Assembly who had the courage to say, yeah, this is unconstitutional, and we were proven right when a Federal court recently ruled not just that it was unconstitutional, but it was, quote, "manifestly unconstitutional." We have to be careful about going down this road of doing things that may be popular with the public but are clearly illegal, and

this is one of those. It is illegal in what it does to the promise that we have made to employees.

This bill is also built on so many false premises that need to be exposed. The first is that there is a crisis, and I have heard that word used a lot today, that there is a crisis that requires a drastic change to the structure of the pension plan. That belief completely ignores the definition of what the unfunded liability is; that \$60 billion number that is thrown around as an example of the crisis. The unfunded liability is the amount of money that it would cost if every State employee and every teacher retired today and we had to pay out their benefits - a situation that is obviously never going to occur.

Every time in the questioning today, every time the Majority Leader was asked about the unfunded liability, he points to savings. Those are not the same thing. It is the difference between the balance due on my mortgage, which I cannot afford to pay today, and the monthly payments that I make on my mortgage, which I can. Just because I cannot afford to pay, in one lump sum, all of the debt that is owed on my mortgage does not mean that I should move if I can pay the monthly payments. Act 120 of 2010 was designed to make sure the State makes those payments. It is a challenge we can overcome, but it is not a crisis that requires this drastic change to the structure of the plan.

Related to that is the false premise that it is the structure of the plan being a defined benefit plan that is the cause of this problem. Again, not true. There are three elements to the pension dollar, the amount of money in the funds - the employer contribution, the employee contribution, and the investment returns. The investment returns, as we know and as has been discussed, the investment returns in many years have been disappointing. The employer contribution has not been made, as required, on a regular basis. The employees have been the only responsible party because they have been making their contributions regularly, as required, and they have not had a choice. It is automatically deducted from their paychecks. But it is the failure of the State to make its contribution and the disappointing investment returns that have caused this problem, not the structure of the plans.

You can see this at the municipal level, where there are defined contribution plans that have similar funding challenges for similar reasons: not funding them and bad investment returns; not the structure of the plans. I will return to my analogy of a box. The funds are a box. If you do not put money in that box, the box is going to be empty. It does not matter what the shape of the box is, whether it is a circle as a defined benefit or a square as a defined contribution. If you do not put money into the box, the box is going to be empty.

I think we need to get back to an intellectually honest discussion about the challenge that we are dealing with. Those of us who have been able to take a look at the PERC analysis, in the limited time we have had to look at that as well, see that the PERC analysis says Senate Bill No. 1 does not reduce the unfunded liability. There is a chart that shows that the funded ratio of SERS and PSERS are pretty much the same with or without Senate Bill No. 1. That is because the unfunded liability is related to what has happened in the past.

The biggest change in Senate Bill No. 1 to the systems occurs in the future, and so that is where our focus needs to be - paying the future costs, not dealing with an unfunded liability that creates all of these, perhaps, ideologic reasons but not mathematical

reasons for the dramatic action that is proposed. Act 120, as intended, is currently forcing the State to pay those costs. Governor Wolf's plan is intended to deal with the investment side of things. Those address the two causes of this problem.

So, I think we need to put the math over the ideology and deal with this in a responsible way. As one of my colleagues said, adhere to principles that we all should be able to agree to: that we do not impair contracts, that we are not increasing the unfunded liability, that we are providing retirement security for our workers who have earned it, security which will make sure that we are not funding through social services those same employees if they are in poverty as a result of lacking that retirement security, and giving relief to the State and school districts. Senate Bill No. 1 fails that test because it puts the ideology of this issue over math.

There is a lot of talk about employees, and let us consider who those are. Those are teachers, those are hardworking people. Employees getting some great benefit that is not available in the private sector, getting rich off public pensions -- the average public pension is \$25,000 to \$30,000. Those employees have earned that. They have planned their careers around it. To say that there is no change because we are going to slice things really close and only, quote, unquote, affect their future pension benefits, does not change the fact that they have planned and saved and built their financial future around a certain expectation that is now being pulled out from under them; when, again, they are the only responsible party of the three contributors to the pension fund.

So, finally, Mr. President, we cannot and we should not support this bill. We need to come together on something that all of the parties can agree to that meet some basic threshold issues - transparency, legality, fairness - and this bill certainly does not do that. I will be casting a "no" vote.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Monroe, Senator Scavello.

Senator SCAVELLO. Mr. President, I was not here in 2000 when the decision was made to raise the multiplier, nor was I here in the 1990s when, although the market was doing well and the fund was doing well, the legislature decided not to match the educators and State workers. However, I was here for the last part of the Ridge administration, the 8 years of the Rendell administration, and the 4 years of the Corbett administration, when we knew we had a problem. Just to follow up on a little bit of history, especially the last 4 Rendell years, we did not fund the pensions properly, and we knew it. There was an amendment in the House by Representative Craig Dally, who is now a judge in Northampton County, to match the contributions of the teachers and the State workers. Of course, it went down party lines in the House of Representatives at the time, and since then I stopped voting for budgets because I knew we were kicking the can into the future.

Here we are in the future. I think we have mentioned today different issues on why this is--I am not going to talk about the constitutionality, I am going to talk about numbers, because if you really care about kids and you see what has been going on in the school districts for the last 4 years, and everybody said, well, it is lack of revenue, lack of dollars going back to the schools. I am just going to give you some numbers. East Stroudsburg School District has approximately 7,200 students in

my area, and in 2008-09 their pension contributions were \$2,771,000; in 2013-14, \$10,185,000; in 2014-15, \$13,158,000; in the year that is coming up, \$16,254,000; following year, \$19 million; it continues to grow, \$23 million, it continues to grow. There is talk about saying, well, it does not help us in the immediate, but those numbers are not coming down. They are going in the opposite direction, Mr. President. These school districts are making decisions and cutting programs. They were not prepared for this.

Let me give you another one: 1,682 students, in 2008-09, it was \$515,000; 2013-14, \$2 million; 2014-15, \$2.5 million; 2015-16, coming up, almost \$3,200,000. This is a small school district. I challenge you all to look at your school districts and look at the growth of the pension contributions in these school districts. When you hear about them cutting programs, all of these important programs, look and see that one line item and what it is doing to the school district. I have a school district in 2008-09 that it was \$4.2 million. They are going to reach \$35 million in a few years, \$35 million, part of their budget.

Last year in the House, I stalled something from happening, and then I started to look at the numbers and said, my gosh, what are we doing? It is not going to go away, Mr. President. We need to come up with an answer. Will this be the final product? I doubt so, but we need to do something that is going to address this problem for the students of this Commonwealth because school districts are going to have to make those difficult decisions. The last thing I want to see is teachers laid off. The last thing I want to see is larger class sizes, because that is the only avenue we are giving them outside of raising property taxes.

Thank you very much, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Mensch.

Senator MENSCH. Mr. President, I always worry when politicians say, I will be brief, but I really do intend to be brief.

The PRESIDENT. We will hold you to that, Senator.

Senator MENSCH. Mr. President, to pick up on a theme that Senator Scavello was just talking about, we have been kicking the can down the road, and I never thought this would happen in my career, but we have caught up to the can. It is time to kick the can again or do something much more substantial.

We are talking about the contract and our obligations to our employees. Now, I am one of the, I am going to say, few Members in this Chamber who has actually had employees, union and nonunion. I have actually had to honor contracts, agreements, and paychecks. How difficult that truly is. I do not take the responsibility that we have contractually to the employees lightly, but I would like to remind everybody in this room that we have another contract as well, and that is to the taxpayers. The taxpayers are on the hook.

I am amazed when I hear somebody say, we do not have a crisis. Come on. We have a crisis. Last year our funding was so bad that the unfunded liability was growing at \$750 million a month. Now, it is about half of that today, so it is still growing at around \$350 million, \$400 million a month. Break that down. Even today it is growing at \$10 million a day. That is a problem. We cannot walk away from that. That is a contract that we have to the taxpayers.

What is happening to the taxpayers in all of this? It is called property tax increases. How many of you know seniors and other financially distressed people in your districts right now who are

begging you for property tax relief because they cannot stay in their homes? And our answer here is that we are going to add to that problem for them, we are going to make it more difficult? They cannot pay their taxes because of our actions, and we do not want to do something? That is irresponsible.

I take my responsibility here very seriously. I have looked at this from every side of the argument, and I take very seriously the responsibility that we have to our contracted union labor force. I also take that responsibility that I have to the taxpayers, to whom ultimately this burden is being shifted. We have to honor that contract. That contract came in the way of votes. They placed their trust in us. I do not want to see property taxes continue to spiral. I am at a point where my parents have both just passed, but I struggled with them as we went through their property tax dilemma, and all of their friends. Many of us in this Chamber have personally witnessed it and felt it, but now we want to say, you know, it is okay, we are going to shift that back and we are going to let the taxpayers lift this for us. That can keep getting bigger, and we need more people to keep kicking it. That is really what it is coming down to. It is not just that we have the wherewithal in the legislature to kick the same can, we now need help to kick that can.

Mr. President, I am going to vote "yes" for this because I think the responsibility to the taxpayers is serious enough that we can no longer ignore the problem. We cannot stand here and look at each other and say, we do not have a problem, when indeed, we truly do have a problem.

Thank you, Mr. President.

The PRESIDENT. For the second time, the Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, I just want to rise and respond to a couple of the points made by the previous speaker. If I was not clear before, I think it is important that Members understand that we recognize we have an issue that we need to address, and that our position on this particular bill has no bearing on whether or not we believe there is an issue that needs to be resolved. We, again, believe that we have to move forward and address the issue of our pension situation in this Commonwealth.

With respect to some of the comments, I find it interesting that there continues to be a conversation about the unfunded liability. Let me be clear, and if I have not, I apologize, but I think it has been pretty clear, our Members have tried to get this point across to everyone here that this legislation has no bearing. It does not change or help the unfunded liability. So when we reference statistics of the growth of the unfunded liability every month, it is irrelevant to the conversation about the specifics of this particular piece of legislation. That is something, I think, that needs to be acknowledged.

We talk about kicking the can down the road. Mr. President, that is what this bill does with respect to the SERS system. It kicks the can down the road. We reamortize our debt with respect to SERS and extend it further than what we already have on the books. So do not say that we should not kick the can down the road and then agree to vote to kick the can down the road. It does not make sense to me.

With respect to the issue of property taxes, Mr. President, at the end of the day, I believe, and I think many of my colleagues believe, the reason we have so many school districts making the decision to raise property taxes in their community is far greater

related to the shortfall of nearly \$4 billion in education investments over the past 4 years. Let us be clear about that. Let us also go back to the school districts that are paying these dollars that we are talking about, the increased amounts that the gentleman referenced in the particular school district, as those numbers go up. Yeah, they are going to go up, because for 17 years they did not pay anything. So that is the cost, that is the price of paying the bill for what you did not pay for the past 17 years when you should have been paying the appropriate amount. That is why those numbers are going up, and that is what we have to recognize.

I might add, as we stood on this Senate floor over the course of the past 4 years where we talked about school districts, school districts were criticized for not properly saving or holding on to or spending the stimulus dollars with regard to education as it related to how they neglected to save those dollars, the school districts did not do it here either. The same rationale you used with respect to being critical to school districts for not being thoughtful moving forward, now you are defending the school districts and saying that we have to deal with this crisis and it is too bad that their numbers are going up, because they did not do the same thing you said they should have done. They did not put the money aside when we gave them the ability or the authority not to have to make the payments, as we did. We said, do not worry about making the payments all of those years, or the required payment. They did not put the money aside and say, we are going to save this for that day whenever the rooster comes home, or whatever the saying is, when we have to pay the piper. We have to pay the piper, that is why you are seeing this take place.

Let me again reiterate, we want to work to get something done. Senate Bill No. 1 is not the solution. That is the point we are trying to make. It is not the solution.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Rafferty.

Senator RAFFERTY. Mr. President, I have a few issues with Senate Bill No. 1 myself. One particular issue I have was the treatment of the Pennsylvania State Police in Senate Bill No. 1, where we are removing the exemption of the Pennsylvania State Police and going to change future, not current, future hires in the Pennsylvania State Police retirement system, a group that is unique in and of the service they provide us and they do not receive any Social Security benefits. There was a particular note in the PERC that had me very disturbed about some disability pension money for emergency service personnel, so I began to work with the Pennsylvania State Troopers Association on an amendment, and I had an amendment for the Pennsylvania State Police. My colleague from Allegheny, Senator Vulakovich, has one for the F.O.P., and my colleague from Schuylkill, Senator Argall, has one for corrections officers, all law enforcement, that we want exempted under the pension plan.

For various reasons, we were not able to offer the amendments today. We have been in contact with the House about correcting the problem there. I have met extensively with the Pennsylvania State Police, the F.O.P., as I know Senator Vulakovich has, and Senator Argall on the corrections officers, and I am going to give them credit, I met with the President pro tempore, Senator Scarnati, and the Majority Leader, Senator Corman, on my concern on this issue on several occasions, and most recently

with members of the Pennsylvania State Troopers Association about correcting this problem. Not being able to do it today on the floor with the amendment, there is only one avenue, and that is to get this bill to the House and have them amend in the exemption for the Pennsylvania State Police, corrections, and the F.O.P. Talking with my colleagues in the House, they are prepared to do so. If we sit on this bill, we do not do this bill, it does not get done here. I want to get the State Police exempted ASAP. The way to do it is to get it to the House. Do I like doing it that way? No, I would rather do it here, but I have talked to the State Troopers Association, their understanding of the situation, as I believe Senator Vulakovich and Senator Argall have spoken to their respective bodies, and their understanding of the situation as well.

If I could, Mr. President, I would just like to ask a brief question of the Majority Leader on Senate Bill No. 1.

The PRESIDENT. Senator Corman, do you agree to stand for interrogation from your own colleague? But we are all colleagues here, in any event.

Senator CORMAN. Yes, Mr. President.

The PRESIDENT. The gentleman from Montgomery, Senator Rafferty, may proceed.

Senator RAFFERTY. Mr. President, I will put away my prosecutorial badge. This will be a friendly interrogation. I just want to ask the Majority Leader if I have related the information correctly and ask the Majority Leader if it is my understanding that he and Senator Scarnati will be working toward similar goals with us?

The PRESIDENT. Senator Rafferty, I thank you.

Senator Corman, in response.

Senator CORMAN. Mr. President, I think the gentleman relayed certainly his viewpoints on this situation accurately. He relayed them to us. We think the bill does reflect the uniqueness of our Troopers, which have a mandatory retirement, have a very difficult job, and we have tried to do what we can to reflect that by having a much larger contribution in the DC than normal State employees. Having said that, we certainly understand there are still concerns there. As the process moves forward, we are always open to listen to everyone. We are not suggesting that necessarily. As we said before, this is not the end of the road. There are other discussions to be had, and we would be happy to have them with the Troopers, correction officers, and anyone else. We tried to write this in a way that we think reflects their uniqueness, but at the same time we are always open to further discussion, as we suggest we would.

Senator RAFFERTY. Mr. President, I want to thank the Majority Leader and ask him that if the bill should come over with those exemptions in, would that be the piece of legislation that we would work on together here in the Senate body?

The PRESIDENT. Thank you, Senator Rafferty.

Thank you, Senator Corman.

Senator RAFFERTY. Mr. President, I thank you for the opportunity to address the body. I know there are probably a dozen to 14 Members here who are very supportive of the Pennsylvania State Troopers Association for an amendment--strike that, actually there are 49 Members here in the Senate who are very supportive of the State Troopers Association. There are a number of them who expressed support for me on exempting out the State Troopers, and I look forward to working with the House and I continue to work with the leadership here in the Senate to make

sure our concerns are met, but most importantly, recognizing the State Troopers, the F.O.P., corrections, those in law enforcement who lead the type of life that many of us appreciate and do not lead, and have seen suffer at the hands of crazies over the past few years, that we are able to recognize their importance. Mr. President, again, the only way we can get it added in is get it over to the House.

Thank you, Mr. President.

The PRESIDENT. The Chair agrees with the gentleman's sentiments and looks forward to working with him to resolve these issues.

Further on Senate Bill No. 1, the Chair recognizes the gentleman from Montgomery, Senator Haywood.

Senator HAYWOOD. Mr. President, I have a few questions I would like to ask of the Majority Leader.

The PRESIDENT. Senator Haywood requests that Senator Corman, once again, you are getting familiar with this, will you stand for interrogation?

Senator CORMAN. Mr. President, yes, I will.

The PRESIDENT. Senator Haywood, he agrees. You may proceed.

Senator HAYWOOD. Mr. President, the first question is, does the Majority Leader agree that individuals who retire should do so with dignity?

Senator CORMAN. Mr. President, absolutely. I mean, all employees, both those in the workforce who are nonpublic, the private workforce, and public employees, we hope that they all retire with dignity.

Senator HAYWOOD. Mr. President, what is the percentage of a retiree's final income that they would receive under Senate Bill No. 1 if they are in the new employee category?

Senator CORMAN. Mr. President, that would be based off of the success of the fund and the performance of the fund over the years of their service.

Senator HAYWOOD. Mr. President, we have received a report from the Public School Employees' Retirement System of Pennsylvania that has a comparison of benefits for several types of employees. I would like to go over them and ask the Majority Leader a few questions.

The first one is an employee who is hired at the age of 30, they work for 35 years, and retire at age 65. Their salary upon termination is \$31,111. The current PSERS benefit would be \$21,000. According to this report, the Senate Bill No. 1 benefit would be \$6,361 a year. Does the Majority Leader consider \$6,361 as an income that is consistent with retiring in dignity?

Senator CORMAN. Mr. President, I guess I would reject the premise of the question. We are not of a belief that that chart he is referring to is accurate. Moreover, again, this is the type of plan that 90 percent of the workforce in Pennsylvania already enjoy. So I am not sure why we would give any certain class a higher, call what they say poverty, then give someone else a different level. So, again, this will be based on the performance of the fund. The performance of the fund will ultimately decide what the retirement benefit is with, obviously, matching the contribution of the employee. That is the way it works. That is the way it works in the private sector, and I believe that is a fair approach for the public sector as well as moving forward.

Senator HAYWOOD. Mr. President, is the Majority Leader aware that the current Federal poverty guidelines for 2015 set the

poverty level for families, and that for an individual that level is \$11,770?

Senator CORMAN. Mr. President, I am not sure what the question has to do with Senate Bill No. 1. I understand where the Senator is coming from. Again, I reject the premise of what he is alluding to and just go back to my earlier answer.

Senator HAYWOOD. Mr. President, the second example is for an employee who is 30 years old when they are hired, and they retire at age 65. At that point their salary is \$51,852. The current PSERS benefit would be \$35,000 for a lifetime. Under Senate Bill No. 1, the benefit would be \$10,602. Does the Majority Leader still believe that this is retirement with dignity?

The PRESIDENT. I think I know where this might go, but Senator Corman.

Senator CORMAN. Mr. President, I think, again, the gentleman is not really asking a question. It is a statement. Again, the benefit will be based on the performance of the fund. The performance of the fund will ultimately decide what the benefit is. So we can throw out numbers all we want here today, but we do not know what the performance of the funds will be. Again, this is the same type of fund that 90 percent of the population here in Pennsylvania already work under.

Senator HAYWOOD. Mr. President, the table I am referring to is in the fiscal note on which the actuarial assumptions for moving forward are based. Is that the case? Does the Majority Leader agree that we are using the same document that is the basis for moving forward with the bill?

Senator CORMAN. Mr. President, the actuarial assumptions are not based off that chart.

Senator HAYWOOD. Mr. President, we have heard that we have to be very concerned about going forward, and I think so. The long view is a critical view to take, and I appreciate the comments of Senator White sharing with us the importance of looking at the long view. The long view includes what happens to these retirees when they retire. I will share only two more examples, in the interest of time. We have an employee who is hired at the age of 40. They retire at 65. Fortunately for them, their income at retirement is \$93,333. The current PSERS benefit would be \$63,000. Under Senate Bill No. 1, the benefit would be \$19,084. My question is, could the benefit be less?

Senator CORMAN. Mr. President, the same answer as before.

Senator HAYWOOD. Mr. President, it has been mentioned that paid pension benefits is a hard pill to swallow. Certainly, receiving a pension benefit of \$6,361 is a hard pill to swallow, putting retirees under the poverty line, as well as receiving a pension benefit of \$10,602. That is a hard pill to swallow, also putting the individual under the poverty line. It would also be a hard pill to swallow for the communities that will have these low-income hardworking retirees who have given their lives to our community now in retirement. I did also hear that, well, they will receive what most people receive in the Commonwealth under a defined contribution plan. So, there have been a number of reports that indicate that retirees, I think 60 percent of retirees, or individuals who are in defined contribution plans, have \$25,000 or less in their defined contribution plan. So, I will ask my final question to the Majority Leader. Does the Majority Leader think that having saved \$25,000 in a defined contribution plan will allow a person to retire in dignity?

Senator CORMAN. Mr. President, same answer as before.

Senator HAYWOOD. Mr. President, thank you.

The PRESIDENT. The Chair recognizes the gentleman from Erie, Senator Wiley.

Senator WILEY. Mr. President, I do not speak very often on the floor. I was sitting back listening pretty intently to some of the debate today, and there were a couple of points that really concern me. I think that it has been stressed time and time again on both sides of this aisle that there is a significant amount of work to still do on Senate Bill No. 1. I do not think that there is a question of whether or not we move forward in looking to see how we can instill some reform in the pension system. I do not think there is a question about having to move forward and how we have to address this critical issue, but prior comments suggested that a negative vote on Senate Bill No. 1 would somehow correlate to a lack of commitment that we have and the commitment and concern for the taxpayers of this Commonwealth. I think that is an unfair characteristic. I think that we have a commitment to, as some of the prior speakers said, the taxpayers of this Commonwealth, and one of the commitments that we have is to get it right, to do everything we can to get it right. I know that there have been some comments about some of the work that still needs to be done on this particular piece of legislation, and this is the place to do it. I do not believe that it is prudent for us to move legislation forward just for another body to address some of the things that we have not addressed here in the Senate. I think it is time that we look at this and we take the appropriate amount of time to get it right the first time, rather than coming back and always fixing some of the unintended consequences that we have on the actions that we take.

Mr. President, there is a lot of work to do, and all 49 members of this body are committed to the taxpayers, regardless of how they vote on Senate Bill No. 1. That is clear. There is a critical need to take more time to address the concerns that have been stated here today. So, I hope that we do have the time and I hope that we do have the commitment to getting it right.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Berks, Senator Schwank.

Senator SCHWANK. Mr. President, I recognize what the outcome of this vote will be, and I also recognize that I am not going to convince anybody in here to change their vote. I know it is a long afternoon and people want to head back, but I am standing because I think I owe an explanation to my voters and to the other constituents I have in the Commonwealth regarding the vote that I will make this afternoon. Believe me, I have been asked lots of times by business leaders, by average citizens, or I have been told, do something about that pension problem. Do you think I do not want to be responsive to them? Of course I want to be responsive to them. It bothers me as much as it does anybody else here. The way we go about it is a concern to me as well.

My colleagues have asked a lot of pertinent questions this morning, and I have been listening and trying to discern the answers. I do not think I am any more enlightened than I was when I came into this room today, but nevertheless, we are where we are. I am really troubled by the answers that we have been offered. The questions that my colleagues have raised are some that I had not heard before, and I have thought of some of my own. It concerns me what we are about to do here today. Even though I had served on a pension board for about 7 years when I was a county commissioner, I am not a pension expert. I know

enough to turn to the actuarial experts, that we pay good money for, by the way, to provide me with the information that we need to make an informed vote. I would never, in the past, have done something without deep concern against their decision when I worked in the county. When the actuary said, this is what your arc is and these are the problems that you face, I listened.

It really concerns me that I have nothing, in terms of expert advice, as to the vote that I will make today. It is a serious concern. In fact, Mr. President, I am dead serious about my job as a State Senator. I resent being placed in a position to make a vote without proper time on a vote of such significance. This is so serious. We are talking billions of dollars here. It is, again, so troubling to me. I want to vote on a pension reform bill. Last year, Senate Democrats offered a proposal. I think Senator Costa talked about that, a bill that we had on pension reform. It did not go anywhere. I even introduced a bill, Senate Bill No. 564, earlier this spring on actually a process that would create a public pension review commission, so we could actually sit down and do what we are not doing here and come up with some solutions. This very proposal, Senate Bill No. 1, could be one of the things that could be considered by the commission. I know that is not going to happen.

I am just as concerned as anyone about the stability of our current pension and the unfunded liability. It keeps me awake at night too. I will vote for a pension reform bill, but I will never make a vote under these circumstances. It goes against everything that I believe in and what my constituents sent me to do here. They told me to learn the facts, understand what you are voting on, and then make the right vote for us. I cannot make that today on what I see here. Did we not end up in a bad position because of what happened in 2001 with Act 9, because legislators voted on something that maybe they did not fully understand what the impacts would be? A lot of times, you cannot know that. That has happened to me lots of times in my career as a public official. I made a vote or a decision on something and later on it turns out not to be the right thing. But I always went into that with as much information and facts that I could have. We cannot always know what is going to happen. We could not have predicted the downturn that occurred in the stock market, but I do know that I can be better about making a decision and that I can be very measured in how I take that vote.

So, I want my constituents to understand, Mr. President, that I will vote "no" on this. I truly do hope, but I am not sure, that we will come back to this body and we will have something to consider that truly will be pension reform.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Northampton, Senator Boscola.

Senator BOSCOLA. Mr. President, I am always proud to call myself a Member of this body, and I do feel honored and privileged to represent people. Time and time again, I go before groups of people throughout my district and I always speak about how this Senate body is not like Washington. We usually work together on a lot of bills to get things done right. We have that special way about ourselves because we know each other personally. We have worked together across the aisle so many times to get things done to solve big problems. Well, today, after watching what this body is about to do with this pension reform bill, I have to say my confidence is very much shaken. It seems as

though we are now taking a playbook right out of D.C., and that is unfortunate.

I am the first to admit that we need to do something to correct the pension issue. Everybody, you have heard it here time and time again, we all understand the need for the changes, but not like this; not by ignoring sound democratic principles and our own laws. This bill and the process the Majority is taking is nothing but politics at its worst, and that is a shame. This bill was hatched behind closed doors without any real input from a large number of Members of this Chamber, the employees that the bill impacts, or the professionals that are required by law to study the impact of such monumental changes to our retirement benefits.

Now, I think I can speak with some authority on this issue, unlike some Members, because back in 2001 I did not vote for that pension increaser. Back then I said, look, maybe times are good, but if we ever have economic downturns, we are not going to be able to sustain this. So, I voted "no" on the pension increase, and, more importantly, to show by example, I did not take the 50-percent multiplier. Now, why I say that is because there are other people who are trying to pass this bill today who voted for that 50-percent increaser and took it. But now these workers who are making \$20,000 a year, \$30,000 a year, \$40,000 a year, we are trying to tell them, you know what, you are not good enough to have something in retirement. We are changing the rules on them without even much debate.

The solution does require a true democratic process, not a political one, and that is what this is all about today. It is theater, drama, and it is uncalled for. This bill should have full and open debate in the public, because otherwise, if not, the people lose faith in this system. We, the Members of this Chamber, are better than that. I have seen us be better than this today, up until today. So, I am extremely disappointed. Every Member, Mr. President, recognizes that there are serious issues facing our pension system today, and every Member wants to find a way to reduce the unfunded liability and squeeze the liability it places on the taxpayers of this Commonwealth. This requires thoughtful, well-vetted legislation. It is as simple as that. What is being rammed through the Senate today is anything but thoughtful and vetted. It is a 400-page bill delivered on my desk yesterday, May 12, 1 day before a Chamber was able to do a final vote, which is today. So, as somebody showed the document earlier, 400 pages, and I do not think anybody has really read it. That is unfortunate, because that reminds me of Washington, as well.

So, this move that we are making today is even contrary to State law. We are supposed to be lawmakers, and this move is contrary to State law. The Public Employee Retirement Commission is mandated by law to attach an actuarial note including a reliable estimate of the cost and the actuarial effect of any change prior to second consideration of a bill like Senate Bill No. 1. Milliman, acting at the request of PERC, sent a letter indicating that legally required analyses could not be completed because of time constraints. Who placed this time constraint on PERC? What is the purpose of such time restraints? The letter states that only a preliminary review was completed. The law does not call for a preliminary review, it calls for a reliable estimate of the cost and the actuarial effect of the proposed changes. That is what the law says, not a review that fails to address all the facets of the legislation or all the actuarial cost projections. PERC stated that such an analysis was not possible.

So, no wonder it is not possible, as a 400-page bill was delivered, again, Friday, May 8, to them. This bill potentially impacting over 600,000 employees. They deserve better than this. They deserve to be represented by us and they deserve better. So, why then, with such an important legislation, has the Majority party cast aside the requirements of the law that we put in place? Why is it that we are rushing through this legislation, knowing the legal issues surrounding it? Why no hearings? Why are we considering this bill today? The answer is, sadly, simply politics, and theater.

The problem the pension fund is facing was not caused by the hardworking employees of this Commonwealth - the guy who fixed the potholes in the roads, and that daycare worker taking care of your children, or the teacher teaching in a classroom to make our kids better. Yet, it seems that we are trying to punish them, and that is unfortunate. Why should they be punished? All they are doing is working hard. Since 2001, the employees who are members of SERS and PSERS have met their obligations. We have a contract with them. They have met their obligations. Act 9 increased their payments into their pensions, and those employees have paid into the system, as required. They are not doing anything wrong. Who has not met the obligation? It is the Commonwealth. Since 2001, the Commonwealth has failed to pay the retirement systems at the necessary levels to insure financial stability of the systems. They were stable prior to passage of Act 9 in 2001.

The issue we are debating today was, in part, created by Members of this Chamber. Members of this Chamber created this problem. This issue requires thoughtful deliberation and sound public policy, not party politics. I am voting against this legislation today. I urge my colleagues to vote "no" so that we can go back to work and do some meaningful, sound pension reform that Democrats and Republicans work together to craft with the administration. That is what we should be doing, and that is what I want to do and be a proud lawmaker. Today, I am not proud of this Chamber.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes, for the second time, the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I will, using a saying by the former mayor of the city of Philadelphia, Mayor Street used to always begin his speeches, I know you have heard this before, Mr. President, I will be brief no matter how long it takes.

This final point that I need to make, I think, maybe the most important point out of all that has been discussed in the last couple of hours, and it relates directly to a point that Senator Haywood made earlier when he referred to a document that is included in part of the actuarial note transmittal of the Public Employee Retirement Commission. It is dated May 12, and it is an official document that all of us had the requirement to refer to. It is mandated production for us in any consideration of any changes that are made to any of the retirement systems. This is an actuarial note transmittal. It is, in total, probably about 50 or so pages. It is required reading. If we, as a legislative body, want to make any changes to any of our retirement systems, it is required that this document is to be produced. Now, I believe the previous speaker talked about the fact that there was such short notice in the analysis by any of our actuaries, and so they could not put together a full and complete statement because they, in

fact, said in their statement that they did not have enough time to read the entire 410-page bill.

However, in this document, it refers to--and we cannot dismiss this information casually. Some seem to want to dismiss this information casually, but it refers specifically to what the retirement benefit will be if folks utilize this program that is being offered in Senate Bill No. 1, that illegal piece of legislation. It basically says this: If you retire with 35 years in and your salary at the end of your retirement is \$31,000 a year, your retirement benefit will be \$6,300 a year. So, you worked for 35 years, your ending salary is \$31,000 a year, your retirement benefit will be \$6,000 a year. Or, more accurately stated here, Mr. President, \$6,361 a year. That is if Senate Bill No. 1 is adopted. If your ending salary was \$51,000 a year, your retirement benefit will be \$10,000 a year. If your ending salary was \$72,000 a year, your retirement benefit will be \$14,000 a year. I mention these numbers because it really relates directly, Mr. President, to, really, the theft of Pennsylvania's economy. What Senate Bill No. 1 does is it essentially drives these individuals who work for the State, who work for the school districts around the Commonwealth, into poverty.

It forces these individuals, senior citizens, I might add, because these are all analyses of folks 65 years of age, that officially puts you in the senior citizen category, it drives them into poverty. Senate Bill No. 1 forces longtime public servants into poverty when they retire. That is what Senate Bill No. 1 does. Let us be real clear about this. This is not just an illegal piece of legislation, this is not just the theft of the Pennsylvania middle class, this drives people into poverty when they become senior citizens. Is that what we are trying to create here in Pennsylvania? Is that the economy that we want to have for our children and our children's children? Is that the kind of Pennsylvania we want to create?

Now, someone said earlier that most of Pennsylvania's citizens enjoy this kind of benefit. The problem I have with that statement, Mr. President, is the word "enjoy." No one enjoys being in poverty. Now, some people may enjoy driving people into poverty, but no one enjoys being in poverty. What we have, based on the statement, based on the analysis by the smart people, by the retirement system in Pennsylvania, what we have is an analysis that says, if you worked 30 years when you retire at 65 years of age as a senior citizen, your retirement income will be \$6,300 a year, which officially puts you under the Federal poverty level. So the hallmark of Senate Bill No. 1 drives senior citizens into poverty. Ta-dah, there it is. Right in the document, right in the analysis, right in the bill, right there, all 410 pages of it basically sums up to say, if your end salary was \$31,000 a year, which for many folks and a number of these folks in this system, it will be a lot of people, you will be in poverty, according to this new calculation.

Now, some folks want to make light of that. Some folks think that is where we need to be, but most folks understand that this is part of the principles, if you will, driven by our good friends, the Koch brothers, who found their way into Pennsylvania and are setting up shop. This is the principle of destroying the Pennsylvania middle class. It forces Pennsylvania senior citizens into poverty.

Now, if they stayed in the defined benefit program, their ending salary would be \$21,000 a year. Most folks know that they spend that money right here in Pennsylvania, and that is an im-



portant contribution to Pennsylvania's economy, those dollars spent. In this circumstance, if Senate Bill No. 1 were to eventually become law, these individuals, as senior citizens, would be under the Federal poverty level. They would be poor. That is what they get. Three decades of service, ending salary determination is \$31,000 or \$51,000, if their end salary was \$51,000, they would be at \$10,000 a year in their retirement benefit. So I guess what that means is they would retire, but then they would have to find their way back into working at a McDonald's or a Burger King or a Dunkin Donuts or a 7-Eleven or a Sheetz or someplace like that to try to add more income to their situation so they would not have to be in poverty. I guess that is what we want them to do, because they certainly cannot make it at \$6,300 a year. It is right here in the analysis and it is part of 410 pages in Senate Bill No. 1, which no one had a chance to appropriately analyze, which was thrust down our throats legislatively, which is illegal on its face. So that is, I guess, what the makers, the drafters, the supporters, the voters of Senate Bill No. 1 want. They want people in poverty. It is the destruction of the middle class of Pennsylvania.

#### POINT OF ORDER

Senator CORMAN. Mr. President.

Senator HUGHES. Mr. President, it is not a program--

Senator CORMAN. Mr. President, point of order.

The PRESIDENT. Will the gentleman yield.

The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, I think the speaker is indicating intentions of other Members of the body on why they are voting on a certain piece of legislation, which I believe is a violation of our rules. I ask the speaker to restrain himself in his excitement alluding to intentions of other Members.

The PRESIDENT. Thank you, Senator Corman.

Under the rules, Senator Hughes, the Members, while speaking, are not permitted to inquire or assert as to the motives or intents of other Members. So you are appropriate in addressing the points that you wish to address, but to the best of your ability, if you would steer clear of motive or intent, you would be in order.

Senator HUGHES. Mr. President, so noted. All I will say to that is this: the effect of the legislation drives people into poverty. It may not be their intention, it may not be their good will. They may not feel it in their heart, in their mind, in their soul, and in their consciousness, but the effect of this drives people into poverty. It drives senior citizens into poverty. They are poor. They are put into an impoverished state. They worked to service the State of Pennsylvania and the result of that is that they are in poverty because the numbers show that \$6,300 a year is below the Federal poverty level. That is the deal. It may not be their intent, it may not be where their heart is, it may not be where their soul is, they may cringe inside their soul because of this, but the effect of this is that these individuals are in poverty. That is the effect.

It is the destruction of the middle class of the Commonwealth of Pennsylvania. It is the final nail by the corporate crew. The final nail in the middle class in Pennsylvania. The sucking sound of the dollars right out of average working people, putting dollars aside for their savings, putting dollars aside for their retirement

so that they can enjoy their retirement, which is what they all hope that they would have available to them. What this does is just drives them into poverty. That is what it is. It may not be their intent, it may not be their desire, it may not be their intention, it may not be their will, but the effect is pure and simple. You work for 30 years, 35 years, your end salary is \$51,000--to be clear, \$51,852 a year, under this bill your retirement is \$10,602. Well, as I said before, some people, many workers in Pennsylvania, many retirees in Pennsylvania, that is what their reality may be. That does not have to be the reality for these individuals who have given so much. We can be better. We should do better. We have a responsibility to do better.

I thank you very much, Mr. President, for the opportunity to lay those issues on the table. Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Eichelberger.

Senator EICHELBERGER. Mr. President, I have heard an argument over and over again about how our people who work for the State or for school districts in Pennsylvania will not be able to survive under a program that everybody else seems to survive under. I do not think these people--I think it is an insult to them to portray that they are not smart enough or do not have the abilities to manage a program that everybody else in the private sector manages very well, and when you accompany what their pension would be, regardless of how well they do, with their Social Security payments, and any other money they save over the years, they should be in very good shape as retirees, given even some of the numbers that I heard today, which I do not know that any of those numbers are accurate. I would point that out.

I want to mention some facts as we, hopefully, are closing out this discussion, this debate on the floor. There are three components to the problems we have with the pension system today. There is the plan design, which is overly generous; there is the investment management portion of this, which the Governor has acknowledged and is willing to address; and then there is paying the bills. Representative McGinnis introduced legislation yesterday to make sure that we stay on a funding track, and I think that is very important for us to make sure that we continue to pay the bills. We have a system here that is on a track and somewhat is designed to fail. We cannot sustain the system as it exists today, and in every case when I spoke to investment professionals from across the Commonwealth, and some who deal with national issues in pension programs, they tell us the same things. They tell us, get out of the plan design we have. They tell us to look at the management and the investment portfolio, and they tell us to pay our bills. All I have heard today is about us not paying our bills.

There are a lot of problems with our system. Forty-five percent of the problem we have with our system today in the amount that we owe is because of underfunding. Fifty-four percent is because of the generous benefit enhancements that have been made and the investment portfolio problems, where we have lost as much as \$30 billion with a downturn in the stock market. But all we hear is that if we just paid the bills, our problems would go away, and that is factually not correct. This is not a debt that we can escape. It is not a fixed asset loan like a mortgage. This is a debt that ebbs and flows with the stock market, with people coming and going out of the system, with every new hire and every change and every increase in wages. These things change.

With people taking their money out of the system when they retire, that changes the actuarial value of the system. These factors continue to affect the system in a way that is much different than a fixed asset loan. So, it is important for us to remember that.

It is important for us to remember that the plan we have designed today is best for long-term employees. It is actually discriminatory against many people in our workplace today. The average tenure for a State employee in America is just a little over 7 years. Now, as people come and go from the workforce and they work for the Commonwealth for a while and then they go into the private sector and they maybe come back into the Commonwealth at a later point in their lives, particularly women of child-bearing years who stay home to raise a family for a period of time and then come back into the workforce, systems like what we have today hurt these people. When the average tenure of employees is actually much lower than what we are hearing about with 20-, 25-, 30-, 35-year employees who are retiring, the other people who are retiring, many of the average people who are retiring are hurt by the system we have today.

So it is important to note that we are helping people by changing this plan design and allowing people who come in and out of the system, or people who work for a short period of time, to have a portable product that they can take with them and capture all of the earnings and the value that they have, that they put aside for their retirement, and place it with another program in the private sector or another program in local government. These are important changes for people who work for our State or work for our schools.

We had a hearing several weeks ago and we talked about these issues in a hearing of the Committee on Finance. We had two unions present at that hearing, the SEIU and PSEA. I asked both of the representatives there that day, what ideas do you have that you are willing to put forward to help us with this problem we have? Neither could present one single idea to help. So, all of the talk we have had about how if we just had more time and we would have input and so on, I have not heard anything coming from the public sector unions in Pennsylvania to help with this problem. Not one word. When I asked them directly, two of our largest unions, neither could come with one single idea that they were willing to advance to help.

I would also point out, to follow up on a comment that was made earlier today, that the decisions that were made here historically in this body, many before I was a Member, were all advocated for by the public sector unions. The increased generosity, putting off payments, and putting it into other things and schools and other things, those were fine at the time with everyone. Now that we learn that those, in retrospect, were a mistake, it becomes the problem of the legislature. That is fair enough. We have broad shoulders. We can take responsibility for these things, but just for the record, to put the facts on the table, when you go back and look at the records of the public sector unions and their advocacy programs, they were advocating for all of these changes that were made at the time, and now that they do not work, they do not want to bear the responsibility for those things.

I want to close with saying that things are very difficult with this plan. I do believe it is a crisis, and I do not use that term very lightly. I do not know how much worse things have to get before we are willing to make substantial changes to the programs that we have. I support this plan. I am not happy about all of it, and

I do not think anybody is with any piece of legislation that we do on this floor, but I can tell you that we have to make some sweeping changes to our pension programs or we are not going to have them down the road for the people who are in the programs now. These people are trapped into a system that they cannot get out of. We have to give them some options. We have to make sure that the fund is sustainable, realistic, and manageable for us so that we can pay for it for the long term.

So, I ask my colleagues today to think long and hard about that when they make this vote, to make sure that we can provide a reasonable retirement program for the people who are employed by the State and for school districts and they have something they can depend on, because if we keep going down the path we are today, we will not have the money in a short period of time to pay our bills in that system. So, I again thank you, Mr. President, for the opportunity to present these remarks.

The PRESIDENT. Without objection, the Chair recognizes, for the third time, the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, I will be brief to really summarize and wrap up the position of Senate Democrats in this debate, but before I do that I want to make a point with respect to the previous speaker, who referred to, in a large part of his conversation, labor unions. Let us be clear, this legislation impacts many, many folks beyond our labor unions. They affect everyone in this room who works here who are not part of labor groups - the Pages who are here, individual staff who work for us, and administrators throughout this Commonwealth at some of our universities and our schools. Those folks are not part of labor organizations. They work in the system, but let us be clear about who we are talking about, and to inject them in this conversation I think is wholly inappropriate.

With respect to the issue that we have tried to raise on this side of the aisle, Mr. President, let me be brief. We have laid out three areas where we think this legislation is ill-advised and should not move forward.

First, as we said at the outset, we have a major concern about the constitutionality or legality of this legislation. We believe, strongly, that the Constitution and our courts have ruled clearly and unequivocally that if you impair contracts of an employee, it is not permitted. We have Pennsylvania State law, Pennsylvania court cases, as well as other jurisdictions recently that ruled similarly to us that believe in that notion. If you believe in the Constitution and you take that oath to say that the Constitution should guide and govern us, as many Members of this Chamber do, then there is no way you should be able to vote for this bill, because it violates our constitutional principles so laid out in our Constitution and case law as well.

With respect to process, we have talked at length about this process. Again, I will reiterate the process: 4:30 p.m. Friday, 400-page document is filed; Monday, through the Committee on Finance; Tuesday morning, through PERC; Tuesday afternoon, through the Committee on Appropriations; and here we are at 2:30 p.m. on Wednesday and we are voting on it. That is less than 70-some hours that we are voting on a very significant piece of legislation. We think that violates our whole notion about who we are as a General Assembly, who we are as a Chamber, who we are as individuals who stood up, particularly during last year's election, and said, we are going to reform this process, we are going to make changes to how we do things in this Commonwealth, and we are going to shine light on what we do and shine

light on our process. That is not happening here, and I ask my reformer friends, again, where are you? Why are we letting this happen? I am asking the folks outside this building, where are you with respect to this travesty as it relates to this process as we move forward? No one has spoken out, no one is crying out saying we need to slow the process down, and that is all we have asked for. The ability to consider amendments -- my colleague from Montgomery County wanted to offer amendments with respect to the F.O.P., and the corrections officers and the State Police. This process and this constricted timeline did not allow for that. This timeline did not even allow for the entity responsible for doing the analysis to even have a chance to do it. Yet we are moving the process forward. So the process is an issue with us.

Mr. President, I am asking my colleagues to join us in a "no" vote for the reasons we have talked about on the constitutionality, with respect to the process, with respect to the substantive nature of this particular piece of legislation, and why it is morally wrong for us to move in this direction when we have other options available to us. Again, let me be clear: We stand ready to work with all Members of this Chamber and all Members of the other side of the building and administration to advance the appropriate piece of State pension reform, PSERS and SERS, as it relates to the ability for us to have an impact on our budget as we go forward not just this year but in future years. We have that option available today. Today, we are choosing to ignore that short-term relief that also provides the long-term stability that we need in favor of Senate Bill No. 1.

I am asking my colleagues to join me in rejecting Senate Bill No. 1 and asking all of you to join us and work with us to come up with a model that is more reflective of what needs to be done with respect to the moral obligation we have to our Commonwealth residents and our employees and also the obligation we have to our taxpayers to get it right, fix it right the first time, as we move forward, and not subject ourselves to a question that is going to be raised in the courts.

Finally, my final point goes to the issue with respect to the cost savings that I am sure will be part of this discussion in the next couple of moments. We know the system requires analysis. The parts of the analysis that we heard from PERC indicates that it may save \$16 billion, for example, in the PSERS side, but we also know that that same analysis reflects \$16 billion in costs does not affect the unfunded liability, just the cash flow savings. We know that they are at risk. I am not just saying that, my Members are not just saying that, but that is what the actuarial folks are telling us, that \$13 billion of that \$16 billion is at severe risk, given what we have argued on the constitutionality.

So, Mr. President, I think the numbers are flawed with respect to the projected savings, particularly in light of what court cases could likely be, and what we do not want to do is position ourselves in a place where a couple of years from now when a court finally rules, the Supreme Court comes back and says, you guys should not have done what you did. We told you not to do it. The case law was clear. It was black and white. You went ahead and did it anyhow, you rammed it through. That is not how we should govern, and for those reasons we stated on the record today, I am asking for a negative vote on Senate Bill No. 1.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes, for the second time, the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, in conclusion, clearly, as I have stated on numerous occasions, we do believe this meets the constitutional mandate. We know for a fact that it has a PERC note. To suggest otherwise, PERC voted by a 6-2 vote in their commission for the actuarial note on this piece of legislation. The executive director, who has been there for over a decade, stood by the numbers of the commission.

As to the process, I understand the complaints. We have had a healthy debate here for 3-plus hours. We had a healthy debate in the meeting of the Committee on Appropriations yesterday and a healthy debate in the meeting of the Committee on Finance. It is clear that my colleagues, as I said earlier, are well-skilled and knowledgeable on the concepts that are in this legislation, as they have articulated very well. They may not like what is in this legislation, which I understand, but they clearly understand what they are, as they have articulated. So, there certainly has been time to review and give analysis.

Mr. President, this bill does several things, as I have mentioned before. This bill will allow our current employees new options and allow them to retire at a benefit level higher than any State employee who retired before 2001 and any State employee who started to work after 2010. Despite the changes we have made with new options, they will still retire at a much higher benefit. Let us not forget those employees who retired prior to 2001, who in the past were given COLAs, cost-of-living adjustments, and we have not been able to give cost-of-living adjustments because of the crisis in the pension fund because we pay for those COLAs out of the pension fund. Those employees retired at a much, much lower benefit and have been on the outside hoping for a COLA, and we have not been able to address it. I do not know if we will be able to address it in the future, but we certainly will not be able to address it until we get to the healthiness of the fund.

Let us not forget that this piece of legislation deals with the legislative body. I know there have been a lot of complaints about the 50-percent increase of the legislative body. This would put the legislature on par with other State employees, and, upon election or reelection, the legislature will be determined as a new employee and be going into the defined contribution plan, like every other new employee of the State workforce.

Finally, Mr. President, and I think most importantly, is we do need a structure change. I know my colleague from Dauphin County said there is nothing wrong with the structure. I take exception to that. He talked about a three-legged stool where you have the employee's contribution, the employer contribution, and you have the returns through the systems, and that if the employer contribution would have lived up to their obligations, we would have done better on the returns of the systems and we would be okay. Well, that is the structure that failed. Two-thirds of the structure failed. That is why we need to change the structure. We need to change the structure so that the legislature will not fail in the future, and by this new bill they will not be allowed by law, they will have to make their contributions. We will not be totally reliant and the taxpayers will not be at risk of poor investments. In fact, this bill, for the first time, puts in an oversight for those investment boards.

So, I do argue that the structure needs to be changed, the structure that will put us in line. This is the last bastion of defined benefits. Everyone has moved away from the defined benefit plan because of the structure. This is the end. This is where

we need to get to. Everyone complained about the benefit. This is the same benefit that 90 percent of the population of Pennsylvania already has. Are they all in poverty? Ninety percent of the population, not only do they have to be in defined contribution, but they get another 10 percent more. That is what we are asking them to do. There is a reason why everyone has moved away from this structure. It is not affordable in the demographic situation that we have today.

So, Mr. President, it has been a healthy debate and I respect all opinions on this. We will move forward as this leaves the Senate and is picked up in the House and on to the Governor. It is time to move Senate Bill No. 1 forward. It is time to address the biggest problem facing Pennsylvania not only now, but in my time here in the legislature, and that is the crisis of public pension reform. I ask for an affirmative vote.

#### LEGISLATIVE LEAVE

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, I request a legislative leave for Senator Leach.

The PRESIDENT. Senator Costa requests a legislative leave for Senator Leach. Without objection, the leave is granted.

And the question recurring,  
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

#### YEA-28

Alloway	Eichelberger	Pileggi	Vance
Argall	Folmer	Rafferty	Vogel
Aument	Gordner	Scarnati	Vulakovich
Baker	Hutchinson	Scavello	Wagner
Bartolotta	McGarrigle	Smucker	Ward
Brooks	McIlhinney	Stefano	White
Corman	Mensch	Tomlinson	Yaw

#### NAY-19

Blake	Farnese	Kitchen	Teplitz
Boscola	Fontana	Leach	Wiley
Brewster	Greenleaf	Schwank	Wozniak
Costa	Haywood	Smith	Yudichak
Dinniman	Hughes	Tartaglione	

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

#### SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Permission has been granted to add Senate Bill No. 266 to the agenda of the meeting of the Committee on Rules and Executive Nominations, which will be held shortly.

#### RECESS

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, I request a recess of the Senate for a meeting of the Committee on Rules and Executive Nominations to be held in the Rules room, followed by a very brief Republican caucus.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, at the conclusion of the meeting of the Committee on Rules and Executive Nominations, Senate Democrats will meet in the rear of the Chamber for a brief caucus.

The PRESIDENT. For purposes of a meeting of the Committee on Rules and Executive Nominations to be held in the Rules room, followed by Republican and Democratic Caucuses, without objection, the Senate stands in recess.

#### AFTER RECESS

The PRESIDENT pro tempore (Senator Joseph B. Scarnati III) in the Chair.

The PRESIDENT pro tempore. The time of recess having expired, the Senate will come to order.

#### LEGISLATIVE LEAVE CANCELLED

The PRESIDENT pro tempore. Senator Smucker has returned, and his temporary Capitol leave is cancelled.

#### CONSIDERATION OF CALENDAR RESUMED

#### THIRD CONSIDERATION CALENDAR RESUMED

#### BILLS OVER IN ORDER

**SB 489** and **SB 490** -- Without objection, the bills were passed over in their order at the request of Senator GORDNER.

#### BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

**SB 514 (Pr. No. 509)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of November 24, 1976 (P.L.1163, No.259), referred to as the Generic Equivalent Drug Law, further providing for definitions, for substitutions, for posting requirements, for powers and duties of Department of Health and for immunity of pharmacists under certain circumstances.

Considered the third time and agreed to,  
And the amendments made thereto having been printed as required by the Constitution,

On the question,  
Shall the bill pass finally?

#### POINT OF ORDER

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Allegheny, Senator Smith.

Senator SMITH. Mr. President, I rise to request a ruling pursuant to Senate Rule 20(c)(2). May I vote on Senate Bill No. 514 since my spouse is a contractor with a company that produces and sells biosimilar drugs?

The PRESIDENT pro tempore. The Chair thanks the gentleman for his inquiry about a conflict of interest. In the factual

situation just given, the Chair would rule that there is no conflict of interest and that in accordance with Senate Rule 20(c), the Senator must vote on Senate Bill No. 514 for two reasons. First, the Chair finds that the gentleman is a member of a class of individuals who may or may not be affected by actions on Senate Bill No. 514; and second, the Chair does not find that any votes the gentleman may cast would be particularly personal to Senator Smith or privately affect Senator Smith alone. So the ruling is the Senator must vote.

Senator SMITH. Mr. President, thank you.

And the question recurring,  
Shall the bill pass finally?

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Indiana, Senator White.

Senator WHITE. Mr. President, I will not be long. I am pulling the amendments that I had to this bill. I obviously did not have the support of my own Caucus, but I want to make a statement about the transparency issue. My bill would have set up a transparency commission. I represent, as chairman of the Committee on Banking and Insurance, two industries that are as regulated as any industries in this world. I think the pharmaceutical industry, especially with the healthcare crisis we have in this country, I think it deserves a lot more overview than what we give it so far. I have been told by the author of this bill that we will have hearings in the future, and I think it is necessary. But I do not understand the rush to approve this bill, especially when they are not on the market today, and until they are FDA approved, they will not be on the market. So, I do not understand why we have to rush into this until we get that FDA approval, and I will be voting "no" on the bill. Thank you.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Chester, Senator Dinniman.

Senator DINNIMAN. Mr. President, I think we should pass the bill today because in this way, without amendments, myself and Senator Mensch, who represent the biopharma caucus, and I can tell you that PA Bio has made it clear that they want this bill, and they want it without amendment, and that is the major marketing group in this industry. Senator Vance and our committee have worked on this for almost a year. I remember the discussions last year, and any of the organizations that are coming in at the last minute had a chance to do so for a long period of time, so I hope we just pass it without any amendments.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Montgomery, Senator Mensch.

Senator MENSCH. Mr. President, just to add my voice to Senator Dinniman on behalf of the life sciences industry in our State, but also as a user of one of the biologics, I think it is a great step that we can take here today to continue our pursuit, legislatively, of trying to have a positive impact on the very expensive costs that are called biologics today. They are lifesaving for many people, and if we can have a positive impact in helping more people realize these miracle drugs, really, at a better price point, I am all for that. So, I am very happy to vote for this. Thank you.

The PRESIDENT pro tempore. The Chair recognizes, for the second time, the gentleman from Chester, Senator Dinniman.

Senator DINNIMAN. Mr. President, I just also want to recognize the role of Senator Kitchen and thank Senator Vance and

Senator Kitchen. They worked together to get this bill through, and this is a bipartisan bill. Thank you both.

And the question recurring,  
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

#### YEA-39

Argall	Eichelberger	McIlhinney	Tomlinson
Aument	Farnese	Mensch	Vance
Baker	Fontana	Pileggi	Vogel
Blake	Greenleaf	Rafferty	Vulakovich
Boscola	Haywood	Scarnati	Ward
Brewster	Hughes	Scavello	Wiley
Brooks	Hutchinson	Schwank	Wozniak
Corman	Kitchen	Smucker	Yaw
Costa	Leach	Tartaglione	Yudichak
Dinniman	McGarrigle	Teplitz	

#### NAY-8

Alloway	Folmer	Smith	Wagner
Bartolotta	Gordner	Stefano	White

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

**The PRESIDENT (Lieutenant Governor Mike Stack) in the Chair.**

#### BILL OVER IN ORDER

**SB 643** -- Without objection, the bill was passed over in its order at the request of Senator GORDNER.

#### BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

**SB 678 (Pr. No. 785)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in the State System of Higher Education, further providing for definitions.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,  
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

#### YEA-47

Alloway	Eichelberger	McIlhinney	Tomlinson
Argall	Farnese	Mensch	Vance
Aument	Folmer	Pileggi	Vogel
Baker	Fontana	Rafferty	Vulakovich

Bartolotta	Gordner	Scarnati	Wagner
Blake	Greenleaf	Scavello	Ward
Boscola	Haywood	Schwank	White
Brewster	Hughes	Smith	Wiley
Brooks	Hutchinson	Smucker	Wozniak
Corman	Kitchen	Stefano	Yaw
Costa	Leach	Tartaglione	Yudichak
Dinniman	McGarrigle	Teplitz	

## NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

## BILLS OVER IN ORDER

**SB 687, SB 688 and SB 695** -- Without objection, the bills were passed over in their order at the request of Senator GORDNER.

## SECOND CONSIDERATION CALENDAR

## BILLS OVER IN ORDER

**SB 73, SB 78, HB 89, HB 90, SB 95, SB 104, HB 140, HB 188, HB 221, SB 294, HB 341, SB 356, SB 373, SB 404, SB 438, SB 472, SB 501, SB 538, SB 556, SB 594 and SB 609** -- Without objection, the bills were passed over in their order at the request of Senator GORDNER.

## BILL REREFERRED

**SB 655 (Pr. No. 650)** -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, in special funds, further providing for expiration.

Upon motion of Senator GORDNER, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

## BILLS OVER IN ORDER

**SB 691 and HB 753** -- Without objection, the bills were passed over in their order at the request of Senator GORDNER.

### COMMUNICATION FROM THE GOVERNOR REPORTED FROM COMMITTEE ON RULES AND EXECUTIVE NOMINATIONS

Senator ALLOWAY, from the Committee on Rules and Executive Nominations, reported the following nominations made by His Excellency, the Governor of the Commonwealth, which were read by the Clerk as follows:

## SECRETARY OF AGING

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Teresa Osborne, 1224 Prospect Avenue, Scranton 18505, Lackawanna County, Twenty-second Senatorial District, for appointment as Secretary of Aging, to serve until the third Tuesday of January 2019, and until her successor is appointed and qualified, vice The Honorable Brian Duke, Washington Crossing, resigned.

TOM WOLF  
Governor

## SECRETARY OF AGRICULTURE

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Russell Redding, 584 Clear View Road, Aspers 17304, Adams County, Thirty-third Senatorial District, for appointment as Secretary of Agriculture, to serve until the third Tuesday of January 2019, and until his successor is appointed and qualified, vice The Honorable George Greig, Linesville, resigned.

TOM WOLF  
Governor

## SECRETARY OF DRUG AND ALCOHOL PROGRAMS

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Garold Tennis, 106 Calder Street, Harrisburg 17102, Dauphin County, Fifteenth Senatorial District, for reappointment as Secretary of Drug and Alcohol Programs, to serve until the third Tuesday of January 2019, and until his successor is appointed and qualified.

TOM WOLF  
Governor

## SECRETARY OF HEALTH

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Karen Murphy, 1103 Oakmont Rd., Clarks Summit 18411, Lackawanna County, Twenty-second Senatorial District, for appointment as Secretary of Health, to serve until the third Tuesday of January 2019, and until her successor is appointed and qualified, vice The Honorable Michael Wolf, Lemoyne, resigned.

TOM WOLF  
Governor

## SECRETARY OF LABOR AND INDUSTRY

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Kathy Manderino, 509 Fountain Street, Philadelphia 19128, Philadelphia County, Third Senatorial District, for appointment as Secretary of Labor and Industry, to serve until the third Tuesday of January 2019, and until her successor is appointed and qualified, vice The Honorable Julia Hearthway, Norristown, resigned.

TOM WOLF  
Governor

### ***NOMINATIONS LAID ON THE TABLE***

Senator ALLOWAY. Mr. President, I request that the nominations just read by the Clerk be laid on the table.

The PRESIDENT. The nominations will be laid on the table.

### **EXECUTIVE NOMINATIONS**

#### ***EXECUTIVE SESSION***

Motion was made by Senator ALLOWAY,

That the Senate do now resolve itself into Executive Session for the purpose of considering certain nominations made by the Governor.

Which was agreed to by voice vote.

### ***NOMINATIONS TAKEN FROM THE TABLE***

Senator ALLOWAY. Mr. President, I call from the table certain nominations and ask for their consideration.

The Clerk read the nominations as follows:

#### **SECRETARY OF AGING**

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Teresa Osborne, 1224 Prospect Avenue, Scranton 18505, Lackawanna County, Twenty-second Senatorial District, for appointment as Secretary of Aging, to serve until the third Tuesday of January 2019, and until her successor is appointed and qualified, vice The Honorable Brian Duke, Washington Crossing, resigned.

TOM WOLF  
Governor

#### **SECRETARY OF AGRICULTURE**

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Russell Redding, 584 Clear View Road, Aspers 17304, Adams County, Thirty-third Senatorial District, for appointment as Secretary of Agriculture, to serve until the third Tuesday of January 2019, and until his successor is appointed and qualified, vice The Honorable George Greig, Linesville, resigned.

TOM WOLF  
Governor

#### **SECRETARY OF DRUG AND ALCOHOL PROGRAMS**

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Garold Tennis, 106 Calder Street, Harrisburg 17102, Dauphin County, Fifteenth Senatorial District, for reappointment as Secretary of Drug and Alcohol Programs, to serve until the third Tuesday of January 2019, and until his successor is appointed and qualified.

TOM WOLF  
Governor

#### **SECRETARY OF HEALTH**

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Karen Murphy, 1103 Oakmont Rd., Clarks Summit 18411, Lackawanna County, Twenty-second Senatorial District, for appointment as Secretary of Health, to serve until the third Tuesday of January 2019, and until her successor is appointed and qualified, vice The Honorable Michael Wolf, Lemoyne, resigned.

TOM WOLF  
Governor

#### **SECRETARY OF LABOR AND INDUSTRY**

February 4, 2015

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Kathy Manderino, 509 Fountain Street, Philadelphia 19128, Philadelphia County, Third Senatorial District, for appointment as Secretary of Labor and Industry, to serve until the third Tuesday of January 2019, and until her successor is appointed and qualified, vice The Honorable Julia Hearthway, Norristown, resigned.

TOM WOLF  
Governor

On the question,

Will the Senate advise and consent to the nominations?

The yeas and nays were required by Senator ALLOWAY and were as follows, viz:

#### **YEA-47**

Alloway	Eichelberger	McIlhinney	Tomlinson
Argall	Farnese	Mensch	Vance
Aument	Folmer	Pileggi	Vogel
Baker	Fontana	Rafferty	Vulakovich
Bartolotta	Gordner	Scarnati	Wagner
Blake	Greenleaf	Scavella	Ward
Boscola	Haywood	Schwank	White
Brewster	Hughes	Smith	Wiley
Brooks	Hutchinson	Smucker	Wozniak
Corman	Kitchen	Stefano	Yaw
Costa	Leach	Tartaglione	Yudichak
Dinniman	McGarrigle	Teplitz	

#### **NAY-0**

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Governor be informed accordingly.

### EXECUTIVE SESSION RISES

Senator ALLOWAY. Mr. President, I move that the Executive Session do now rise.

The motion was agreed to by voice vote.

### BILL REPORTED FROM COMMITTEE

Senator CORMAN, from the Committee on Rules and Executive Nominations, reported the following bill:

#### SB 266 (Pr. No. 839) (Rereported) (Concurrence)

An Act authorizing the Department of General Services, with the approval of the Governor and the Pennsylvania Historical and Museum Commission, to grant and convey to the Bear Valley Franklin County Pennsylvania Joint Authority, or its assigns, two permanent utility and access easements from lands of the Commonwealth of Pennsylvania at the Fort Loudon Historical Site situate in Peters Township, Franklin County, for purpose of groundwater withdrawal.

### SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 1

#### SENATE CONCURS IN HOUSE AMENDMENTS

**SB 266 (Pr. No. 839)** -- The Senate proceeded to consideration of the bill, entitled:

An Act authorizing the Department of General Services, with the approval of the Governor and the Pennsylvania Historical and Museum Commission, to grant and convey to the Bear Valley Franklin County Pennsylvania Joint Authority, or its assigns, two permanent utility and access easements from lands of the Commonwealth of Pennsylvania at the Fort Loudon Historical Site situate in Peters Township, Franklin County, for purpose of groundwater withdrawal.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 266?

The PRESIDENT. The Chair recognizes the gentleman from Columbia, Senator GORDNER.

Senator GORDNER. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 266.

On the question,

Will the Senate agree to the motion?

The yeas and nays were required by Senator GORDNER and were as follows, viz:

#### YEA-47

Alloway	Eichelberger	McIlhinney	Tomlinson
Argall	Farnese	Mensch	Vance
Aument	Folmer	Pileggi	Vogel
Baker	Fontana	Rafferty	Vulakovich
Bartolotta	Gordner	Scarnati	Wagner
Blake	Greenleaf	Scavello	Ward
Boscola	Haywood	Schwank	White

Brewster	Hughes	Smith	Wiley
Brooks	Hutchinson	Smucker	Wozniak
Corman	Kitchen	Stefano	Yaw
Costa	Leach	Tartaglione	Yudichak
Dinniman	McGarrigle	Teplitz	

#### NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

### UNFINISHED BUSINESS SENATE RESOLUTIONS ADOPTED

Senators HUTCHINSON, TEPLITZ, ALLOWAY, AUMENT, BARTOLOTTA, BLAKE, BOSCOLA, BREWSTER, COSTA, DINNIMAN, FARNESE, FONTANA, GREENLEAF, HAYWOOD, PILEGGI, RAFFERTY, SCAVELLO, SMITH, VULAKOVICH and YUDICHAK, by unanimous consent, offered **Senate Resolution No. 131**, entitled:

A Resolution designating May 14, 2015, as "Apraxia Awareness Day" in Pennsylvania.

On the question,

Will the Senate adopt the resolution?

The PRESIDENT. The Chair recognizes the gentleman from Venango, Senator Hutchinson.

Senator HUTCHINSON. Mr. President, I rise today to ask my colleagues for an affirmative vote on this resolution recognizing May 14, 2015, as "Apraxia Awareness Day" in Pennsylvania. Childhood apraxia of speech is a very challenging and complicated neurological speech disorder that makes it difficult or impossible for children to accurately produce sounds, syllables, and/or words despite knowing what they want to say and having a good understanding of the language. There is no known cause or cure for apraxia, and much more research is needed. It is unknown exactly how many children in the United States are impacted by this disorder or what its causes are, but the number of children diagnosed with childhood apraxia of speech is on the rise. Parents whose children have been diagnosed with apraxia and many speech therapists who work with these children have emphasized the importance of early intervention and the significant impact it can have on speech development on a child with apraxia.

Mr. President, adoption of this resolution raises awareness and strengthens the support systems in the lives of children with apraxia so that each child is afforded the best opportunity to develop their speech. I ask my colleagues for their support of this resolution.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, I am pleased to be able to join with my colleague, Senator Hutchinson, in recognizing May 14, 2015, as Apraxia Awareness Day in Pennsylvania. For most children, speaking is effortless, but children who have apraxia of speech struggle to produce words even though they often want to speak and can understand when they are spoken to. Some children have to use alternative communication devices and



iPads to alleviate the stress, others use flashcards or sign language. These children benefit from early intervention and frequent intensive speech therapy sessions.

On a personal note, I have a family member with apraxia who struggles to use words to communicate and receives speech therapy several times per week. Children with apraxia can improve their speech with the right tools and therapies in place. So, I appreciate my colleagues recognizing May 14 as Apraxia Awareness Day in order to help others understand this disorder, to emphasize the importance of early intervention, and to insure that these kids have access to therapies and services to help them find their words.

Thank you, Mr. President.

And the question recurring,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

Senator YAW, by unanimous consent, offered **Senate Resolution No. 132**, entitled:

A Resolution commemorating the 20th anniversary of the passage and signing into law of Acts 2, 3 and 4 of 1995, creating Pennsylvania's Land Recycling "Brownfields" Program on May 19, 1995.

On the question,

Will the Senate adopt the resolution?

The PRESIDENT. The Chair recognizes the gentleman from Lycoming, Senator Yaw.

Senator YAW. Mr. President, I would just like to say briefly that, as indicated, this is the brownfields resolution recognizing the 20th anniversary of the brownfields legislation, which has turned out to be the most effective land recycling program, I think, ever in the Commonwealth of Pennsylvania. So everybody who was involved in that legislation 20 years ago in both the House and Senate is to be congratulated. Thank you.

The PRESIDENT. The Chair thanks the gentleman and agrees with him about the importance of the brownfields legislation.

And the question recurring,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

Senators VULAKOVICH, BAKER, ALLOWAY, ARGALL, COSTA, DINNIMAN, EICHELBERGER, FOLMER, FONTANA, GREENLEAF, HAYWOOD, PILEGGI, SCAVELLO, SCHWANK, TARTAGLIONE, TEPLITZ, TOMLINSON, WARD, WHITE, YAW, YUDICHAK, RAFFERTY and AUMENT, by unanimous consent, offered **Senate Resolution No. 133**, entitled:

A Resolution recognizing the week of May 17 through 23, 2015, as "Emergency Medical Services Week" in Pennsylvania.

On the question,

Will the Senate adopt the resolution?

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Vulakovich.

Senator VULAKOVICH. Mr. President, I rise today to offer two resolutions honoring Pennsylvania's emergency medical services providers and the great work they perform in communities across the Commonwealth. One resolution designates the week of May 17 through 23 as "Emergency Medical Services Week" in Pennsylvania. The other specifically designates May 20, 2015, as "Emergency Medical Services for Children Day" in Pennsylvania. Both resolutions honor the network of emergency medical responders, from ambulance attendants and paramedics to firefighters, police officers, and emergency room doctors and nurses who render aid around the clock in the wake of sudden, life-threatening illness and injury. Pennsylvania's first responders often provide lifesaving care at great risk to themselves, responding to the scene of brutal crimes, raging fires, and devastating traffic accidents, and, of course, today we have something in Philadelphia that occurred which is very tragic.

As skilled professionals on the front lines of emergency care, volunteer and career members of our EMS network engage in thousands of hours of specialized training and continuing education to enhance their lifesaving abilities. Therefore, it is only appropriate and fitting that the theme of this year's week is "EMS Strong." That strength makes our communities safer. For sick and injured patients, access to high-quality emergency care significantly improves the recovery process and chances of survival. Those who render pediatric care receive additional specialized training that enables them to meet the unique needs of infants and small children. We all benefit from that training and dedication.

Mr. President, I urge a positive vote on these resolutions and encourage all Pennsylvanians to take time next week to honor and thank our emergency medical service providers. Thank you.

And the question recurring,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

Senators VULAKOVICH, BAKER, ALLOWAY, ARGALL, COSTA, DINNIMAN, EICHELBERGER, FOLMER, FONTANA, GREENLEAF, HAYWOOD, PILEGGI, SCAVELLO, SCHWANK, TARTAGLIONE, TEPLITZ, TOMLINSON, WARD, WHITE, YAW and YUDICHAK, by unanimous consent, offered **Senate Resolution No. 134**, entitled:

A Resolution recognizing May 20, 2015, as "Emergency Medical Services for Children Day" in Pennsylvania.

Which was read, considered, and adopted by voice vote.

Senators TEPLITZ, SMITH, WOZNIAC, HAYWOOD, KITCHEN, VULAKOVICH, GREENLEAF, YUDICHAK, FONTANA, PILEGGI, SCHWANK, RAFFERTY, AUMENT, TARTAGLIONE, SCAVELLO, COSTA, WILLIAMS and BOSCOLA, by unanimous consent, offered **Senate Resolution No. 135**, entitled:

A Resolution designating May 29, 2015, as "529 Day" in Pennsylvania.

On the question,

Will the Senate adopt the resolution?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, Senator Smith and I offer our resolution designating May 29 as "529 Day" in Pennsylvania. The 529 College Savings Plan, named after Section 529 of the Internal Revenue Code, provides special tax breaks to encourage families to save money for a college education. Pennsylvania currently offers two types of 529 savings plans. The guaranteed savings plan is a low-risk plan in which the account's growth is defined by tuition increases. It is a simple way for families to set aside and accumulate funds to cover tuition, certain room and board costs, required books and supplies, fees, and even special needs services. The investment program allows for families to select from a list of 13 investment options from the Vanguard Group. These funds range from conservative to more aggressive portfolio investments, giving families even more choices on the investment of their funds earmarked for college tuition.

The PA 529 program is an effective way for families to make college more affordable for their children. It is a program my family invests in, and I encourage others to look into this option, as well. So, Mr. President, I ask my colleagues to join Senator Smith and me in recognizing May 29 as 529 Day -- I hope everyone gets that, 5/29 -- in Pennsylvania.

Thank you, Mr. President.

The PRESIDENT. I will join with you in that the 529 program is a great program. We thank you and Senator Smith for recognizing that in this resolution.

And the question recurring,

Will the Senate adopt the resolution?

A voice vote having been taken, the question was determined in the affirmative.

### CONGRATULATORY RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Congratulations of the Senate were extended to Gina Robertson, Trooper Lawrence DeWayne Byrd, Sr., Amber Herr and to The Orchards Restaurant by Senator Alloway.

Congratulations of the Senate were extended to Christine A. Dupler by Senators Alloway and Vance.

Congratulations of the Senate were extended to Nicholas James Rausch, Catherine Heim, Mary Jane MacLaughlin, Brian Rich, Greg Header, Eileen Kuperavage, John Joseph Schultz III, Frackville Area Senior Citizens, Alfred Benesch and Company and to the Schuylkill County Municipal Authority by Senator Argall.

Congratulations of the Senate were extended to Mr. and Mrs. Edward Goodhart III, Mr. and Mrs. Larry Fasnacht, Edward Lewis Jones, Jr., Martha K. Kready, Russell H. Yost, John William Fry, Martin F. Bowman, John H. Smith, Pauline R. Waters, John Gabriel Yngve Neville, Cody Matthew Souders, Connor Wilson Chapman, Peter Herr Harris, Michael Patrick Draeger, James Edwin Duffy, Mark L. Gambler, Jennifer L. Porman, Linda J. Rittenhouse, Sandra M. Eshelman, Jane A. Williams, Georgeanne R. Reardon, Barbara A. Brenner, Patricia A. Nonnemacher, Anthi L. Glass, Jill D. O'Hearn, Karen L. Eichelberger, Susan P. Kress, Tasha A. Plunket, Debra J. Jacobs, Lisa M. Palmquist, Vicki L. Woerner, Joseph W. Lively, Jr.,

Patti Jo Brautigam, Robert W. Zunner, Ann L. Burklew, Robin S. O'Boyle, Kathleen R. Sholl, Thomas R. Schlegel, Linda S. Webb, Harley E. Shoaff, Frances E. FitzGerald, Mary Beth Patterson, Sandra J. Mast, Shelley A. Hamilton, Melissa M. Alfonso, Sally C. Davis, Ian Barrett Garcia, Nicholas Robert Saleet, Wesley James Bunton and to Anna Louise Smith by Senator Aument.

Congratulations of the Senate were extended to Mr. and Mrs. William F. Tabor, Mr. and Mrs. Ben Roberts, Ivy Christensen, Jared Marcus Casaldi, Mark Hoover, Saint Paul's Lutheran Church of Dallas and to the Wilson F. Moore Chapter of the National Wild Turkey Federation by Senator Baker.

Congratulations of the Senate were extended to the Reverend George A. Jeffrey by Senators Baker and Blake.

Congratulations of the Senate were extended to Rabbi Larry Kaplan by Senators Baker and Yudichak.

Congratulations of the Senate were extended to John Gilbert Green, Eugene Gladys, Bill Blick, Bill Ryczaj, Yancey Taylor, Phil Pergola and to West Greene Middle School by Senator Bartolotta.

Congratulations of the Senate were extended to Veronica McGowan, Noah Shapiro, John Marc Olevnik, David B. Boeth, Matthew Parry, Bryan Francis Melliand, Jonathan William Ross, Scott Linde, Michael Robinson and to Gertrude Hawk Chocolates by Senator Blake.

Congratulations of the Senate were extended to Mr. and Mrs. James Rubasky, Mr. and Mrs. Harry Reese, Emmett Brown, Brett Aaron Sonntag, Hilda Nagy and to the Bethlehem/Murska Sobota Sister Cities Association by Senator Boscola.

Congratulations of the Senate were extended to Joseph R. Kramer, Jr., by Senators Boscola, Browne, and Scavello.

Congratulations of the Senate were extended to William H. Spence by Senator Boscola and others.

Congratulations of the Senate were extended to Chief Stephen McCauley by Senators Brewster and Vulakovich.

Congratulations of the Senate were extended to Corporal Gary R. Myers, Emelee A. Green, Robert G. Burrows, Dale W. Bish, Vincent P. Darcangelo and to Travis C. Henck By Senator Brooks.

Congratulations of the Senate were extended to Greater Erie Community Action Committee by Senators Brooks and Wiley.

Congratulations of the Senate were extended to Mr. and Mrs. Steven Auvil, Mr. and Mrs. Charles John Rauch, Jean D. Lieberman, Dolores Schaup Buckley, Charles Richard Hills, Milena Scott, Elizabeth Dorwart, James P. Gallagher, Gloria Adele Davis, Troop 66 of the Boy Scouts of America and to the Parkland High School Girls' Volleyball Team by Senator Browne.

Congratulations of the Senate were extended to the Saraceno family, Sharlene Halper, Kaden T. Chambers, Ben Fistner, Emily M. Strohl, Francisco L. Rivera, Jacob R. Severn, Mason S. Rumble, Delilah J. Diaz, Conroy R. Yearde, Gonzalo Zermeo, Jr., Santo Napoli, Matthew C. Vazquez, Dakota J. VanHorn, Chase T. Wasser, Austin T. Ortega, Andrew J. Shafer, Terique D. Stinnie, Brock B. Kline II, Robert Madden, Robin Sweeney, Amy Beck, Patricia Osorto, Stephanie J. Covert, Andrew M. Dauphin, Steve Holguin, Carl I. Haynes, Christina R. DiStefano, Anthony Sorrentino, Quinn B. Strohl, Deisy B. Prudencio, Robert J. Smith, Sean P. Fritz, Nora Suggs, Ricardo Viera, Jessica Bien, Natalie L. Flores, Makayla R. Gordon, Jasmine V.

Kutzura, Maya S. Sheed, Reno R. Honzo-Vassa, Anthony Poisinelli, Kayla K. Waidner, Kimberly A. Fetter, Tyler Miller, Michael J. Lucchese, Joshua P. Zanger, Hannah J. Tollinger, Brittani R. Swavely, Liddys R. Sevilla, J. S. Burkholder Funeral Home, Inc., Trifecta Technologies, Lehigh Valley Phantoms, PPL Center and to the Kyle David Group by Senators Browne, Boscola and Scavello.

Congratulations of the Senate were extended to Joseph J. Bauer by Senator Browne and others.

Congratulations of the Senate were extended to Mr. and Mrs. Melvin Wyland, Robert Thomas Butler, Robert Lee Johns, Eric Robert Heatwole, Ethan Dieffenbach, Joshua H. Aultz, Joseph William Moen, Lazer Stephenson, Ian Christopher Pierce, Kevin Louis Doncsecz, Jordan M. Corman, Richard Franklin Shawley, Jr., Leonard Verbeck, Meghan Shiels and to Anna Rossetti Miller by Senator Corman.

Congratulations of the Senate were extended to Mount Union Lumber Supply, Inc., IFC Services, Inc., Valley Rural Electric Cooperative, Inc., and to Anser Decoy Company, LLC by Senators Corman and Eichelberger.

Congratulations of the Senate were extended to the Reverend John Skirtich, Gregory D. Korbe, Jewish Healthcare Foundation of Pittsburgh and to the Neighborhood Legal Services Association by Senator Costa.

Congratulations of the Senate were extended to Dr. Bridget Miles, Gregory DePedro, Dominic Michael Zengel, Richard Roberts III, Joseph Vincent Losito, Jr., Tyler James Kirby, Rohan Gandhi, Ryan Allen Hollinger, Bob Jones, Isaac Harsh, Backing Our Young Sons and Giving Girls Guidance, Inc., and to the Phoenixville Area High School Physics Team by Senator Dinniman.

Congratulations of the Senate were extended to Lincoln University Alumni Association, Philadelphia Alumni Chapter by Senators Dinniman and Haywood.

Congratulations of the Senate were extended to Gregory Charles Miller by Senators Dinniman and Hughes.

Congratulations of the Senate were extended to Donald E. Morel, Jr., by Senators Dinniman and McIlhinney.

Congratulations of the Senate were extended to Richard D. Luzzi by Senators Dinniman and Pileggi.

Congratulations of the Senate were extended to Quintin Mastrangelo, Russell Kolb and to Christina Fluharty by Senators Dinniman and Rafferty.

Congratulations of the Senate were extended to Esperanza by Senators Dinniman and Tartaglione.

Congratulations of the Senate were extended to Jacob D. Lindsay by Senator Eichelberger.

Congratulations of the Senate were extended to Wesley African Methodist Episcopal Zion Church of Philadelphia and to the Military Order of the Loyal Legion of the United States by Senator Farnese.

Congratulations of the Senate were extended to Joshua Bohn, Kimbra B. Behney, Shirley C. Ericson and to Emma Kathleen Long by Senator Folmer.

Congratulations of the Senate were extended to Joseph Cafardi, Darl K. Rosenquest, Gabriel Wilcox and to Timothy Dugan by Senator Fontana.

Congratulations of the Senate were extended to Andrea M. Laraio by Senator Gordner.

Congratulations of the Senate were extended to William H. Woehr, Ruth Anna Huson Kummerer, Michael B. Meyer, Jr., Patrick Liam Galante and to the Warrington Women's Club by Senator Greenleaf.

Congratulations of the Senate were extended to Michael Edward Chinn and to Matthew Paul Meiers by Senators Greenleaf and Leach.

Congratulations of the Senate were extended to Dr. Helen L. Jenkins-Earley and to William Gaul by Senator Hughes.

Congratulations of the Senate were extended to Mr. and Mrs. Donald Barr, Mr. and Mrs. Robert Charles Aiken, Pavan Savio, Bridge Builders Community Foundations, Seneca-Urban Insurance Agency and to the Pithole Historic Site by Senator Hutchinson.

Congratulations of the Senate were extended to Colin Hitt, Patrick Clements, Michael Hong, Samson Kale, Laurie Manley, Amir Carter Borghaei and to William Nathaniel Rose by Senator Leach.

Congratulations of the Senate were extended to Wesley S. Mullen by Senator McGarrigle.

Congratulations of the Senate were extended to Jayne B. Garison by Senators McGarrigle and Pileggi.

Congratulations of the Senate were extended to Daniel Silvernail, Charles Brice, James Busch, Brian Plunkett, Michael Busch, Pamela Rainey Lawler, Theresa Ricci and to Delaware Valley Vietnam Veterans by Senator McIlhinney.

Congratulations of the Senate were extended to Joy McClendon and to Mark J. Klein by Senators McIlhinney and Tomlinson.

Congratulations of the Senate were extended to James A. Caldwell by Senator McIlhinney and others.

Congratulations of the Senate were extended to Weylin B. Eck, Ella Dillon Utterback and to Jacob S. Volpi by Senator Mensch.

Congratulations of the Senate were extended to David Crosson by Senators Mensch and Greenleaf.

Congratulations of the Senate were extended to Alvito DiStefano by Senators Mensch and Schwank.

Congratulations of the Senate were extended to Sharon L. Minninger by Senators Mensch, Greenleaf, and McIlhinney.

Congratulations of the Senate were extended to William Clark, Arnolla Bishop, Matthew Tiger, Effie A. Seran, Seraphine Traub and to Donald F. MacBeth by Senator Pileggi.

Congratulations of the Senate were extended to Chief Albert McCarthy by Senators Pileggi and Dinniman.

Congratulations of the Senate were extended to Chief Richard Hahn and to Joseph C. Gordon by Senator Rafferty.

Congratulations of the Senate were extended to Mr. and Mrs. Ed Yahner, Mr. and Mrs. Richard Wenker, Mr. and Mrs. James Huffman, Mr. and Mrs. Clarence Buck, Mr. and Mrs. J. Leo Mahoney, Mr. and Mrs. Jim Mague, Colton Michael Lawton, Charles Kysor and to Ward Manufacturing by Senator Scarnati.

Congratulations of the Senate were extended to Rachel C. Martello, Sofia M. Schembari, Courtney C. Krechel, Jason Allen Gill, Nicolette Y. Sonmez, David Russell Gill and to the citizens of the Borough of Stroudsburg by Senator Scavello.

Congratulations of the Senate were extended to Dr. Leon Russell Kneebone, Matthew J. Bowers, Daniel Johnson, Jonathan F. Ewart, students and staff in the Muhlenberg School District, WEEU 830 AM Radio, Reading Eagle Company,

Ready.Set.Read!, Reading Fighting Phils and to the Berks County Head Start program by Senator Schwank.

Congratulations of the Senate were extended to Walter W. Woolwine and to the Reading Eagle Company by Senators Schwank and Argall.

Congratulations of the Senate were extended to John Brook Benhart, Mira M. Shenouda, Glenn Wallace, Nicholas Constantine Karafilis, Steven Lee Davis, Shawn Tyler Champlin, Alice Bower Pasquarelli, Joseph Patrick Campion III, Thomas David Krapp and to the Saint Louise de Marillac Catholic School Boys' Junior Varsity Basketball Team by Senator Smith.

Congratulations of the Senate were extended to Raymond S. Bradley and to Robert J. Beck by Senator Smucker.

Congratulations of the Senate were extended to Timothy Mihalko by Senator Stefano.

Congratulations of the Senate were extended to Kate Goodman, Susan Schewel, Marian B. Tasco, Herman M. Wooden and to Maliek Ali Patterson by Senator Tartaglione.

Congratulations of the Senate were extended to Mr. and Mrs. Ramiro Gonzales, Richard Price, Mary Jane Ludt, Anna Ellis, Samuel William Snoke, Marc Thomas Snoke, Jacob M. Wertz, Dillon C. Hess, Tyrell Crosson, Christopher Elijah Gonzalez-Green, John S. Herigan, Sr., Christopher Miller, John Richards, Waylon Leonard, Michael Shawn Weaser II, Laco Carr, Addam Shull, Brooke Danner, Kevin James Grab, Brandon Jerrelle Coates, Anfernee Raekwon Johnson, Leah Marie Trump, Carl Eugene Landis, Jacob Austin Hodge, Taylor S. Williams, Brett Matthew Nelson Killian, Koppy's Propane of Williamstown and to the Wiconisco High School Alumni Association by Senator Teplitz.

Congratulations of the Senate were extended to James Fitzpatrick, John W. Eirkson, Michael Smedley, Mercy Ingraham and to Harvey D. Spencer III by Senator Tomlinson.

Congratulations of the Senate were extended to Village Improvement Association by Senators Tomlinson and McIlhinney.

Congratulations of the Senate were extended to Times Publishing Newspapers, Inc., Bucks County Intermediate Unit, Bucks County Community College and to Bucks County Health Improvement Partnership by Senator Tomlinson and others.

Congratulations of the Senate were extended to James I. Benson, Jennifer Falconer, Zachary Brehm, Sheldon Munn, Frank J. Lavery III, Richard Mason Wagner, Jr., Gracen Hilsinger, Trevor Krug and to the Warrell Corporation by Senator Vance.

Congratulations of the Senate were extended to Chief Michael Pecora, Glenn Hores, Robert Chambers, Robert Lomb, John Love and to the Barack Obama Academy of International Studies Girls' Basketball Team by Senator Vulakovich.

Congratulations of the Senate were extended to Jacob Sechrist, Leah N. Davis, Emily M. Drais, Haley N. Grove, Rebecca L. Flinchbaugh, Jasmine C. Collins, Meghan E. Howie and to Community Fire Company of Seven Valleys by Senator Wagner.

Congratulations of the Senate were extended to Dr. Gregory D. Grabiak, Dr. Adel W. Armanious, David B. Arnold, Jody Clemens, Charles Welsch II, Douglas Darazio, John Ackerman, Donald E. Hoyle and to the members of the Derry Area High School Transition Technology and Landscape Design Classes by Senator Ward.

Congratulations of the Senate were extended to Jonah Andrew Nichols and to the James M. Stewart Museum Foundation by Senator White.

Congratulations of the Senate were extended to Multicultural Community Resource Center by Senator Wiley.

Congratulations of the Senate were extended to the Honorable Gregory E. Smith, Mary Elizabeth Maxwell, Florence Hall Walker, Lucille M. Pratt and to Waldtraut C. Fellechner by Senator Williams.

Congratulations of the Senate were extended to Mr. and Mrs. John Young, Mr. and Mrs. Bernie Katz, Mr. and Mrs. Roger Kurtz, Mr. and Mrs. Laurence Solomon, Mr. and Mrs. Thomas A. Bafile, Dr. John Burks, John Lundy, Daniel C. Malriat, Isaac Josiah Valentine and to Keith Kuzio by Senator Yaw.

Congratulations of the Senate were extended to Mr. and Mrs. Don Casterline, Mr. and Mrs. Frank Hager, Reverend Robert J. Kelleher, Kaitlyn Gushka, Nick Manganaro, Heather Moore, Anthony R. White, Luzerne County Community College and to Ollie's Restaurant by Senator Yudichak.

Congratulations of the Senate were extended to R. Gregory Collins and to Bobbie Steever by Senators Yudichak and Baker.

## CONDOLENCE RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Condolences of the Senate were extended to the family of the late Dr. Harry Alexander Smith, Jr., to the family of the late Mary J. Crispell, to the family of the late Linda J. Peters Doney and to the family of the late Mildred E. Monk by Senator Baker.

Condolences of the Senate were extended to the family of the late James Patrick Callahan by Senator Dinniman.

Condolences of the Senate were extended to the family of the late John V. Walsh, Jr., to the family of the late Daniel L. Lightcap and to the family of the late John J. Stachel by Senator McIlhinney.

Condolences of the Senate were extended to the family of the late Linda Thompson Butler by Senator Teplitz.

Condolences of the Senate were extended to the family of the late Louis Porreco by Senator Wiley.

Condolences of the Senate were extended to the family of the late Bernice Hughes by Senator Williams.

Condolences of the Senate were extended to the family of the late Robert W. Grantier by Senator Yaw.

Condolences of the Senate were extended to the family of the late Honorable Vincent T. Dennis by Senator Yudichak.

## POSTHUMOUS CITATIONS

The PRESIDENT laid before the Senate the following citations, which were read, considered, and adopted by voice vote:

A posthumous citation honoring the late Elaine Lee was extended to the family by Senator Baker.

A posthumous citation honoring the late Ron Forsythe was extended to the family by Senator Bartolotta.

Posthumous citations honoring the late Thomas E. Burkhart and the late Michael Richard O'Mahony were extended to the families by Senator Brooks.

A posthumous citation honoring the late George Martin was extended to the family by Senator Vance.

A posthumous citation honoring the late Dr. Joseph Calder was extended to the family by Senator Yaw.

### BILL ON FIRST CONSIDERATION

Senator KITCHEN. Mr. President, I move that the Senate do now proceed to consideration of the bill reported from committee for the first time at today's Session.

The motion was agreed to by voice vote.

The bill was as follows:

#### SB 513.

And said bill having been considered for the first time,  
Ordered, To be printed on the Calendar for second consideration.

### ANNOUNCEMENTS BY THE SECRETARY

The following announcements were read by the Secretary of the Senate:

#### SENATE OF PENNSYLVANIA

##### COMMITTEE MEETINGS

WEDNESDAY, MAY 13, 2015

THURSDAY, MAY 14, 2015

9:30 A.M.	LABOR AND INDUSTRY (public hearing on the effects that changes to the unemployment compensation system have on seasonal workers)	Hirt Aud. Erie Public Library
	<b>C A N C E L L E D</b>	

WEDNESDAY, JUNE 3, 2015

10:00 A.M.	FINANCE (to consider Senate Bills No. 282 and 798)	Room 8E-A East Wing
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### PETITIONS AND REMONSTRANCES

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, the omnipresent and effective Senator Rafferty.

Senator RAFFERTY. Thank you, Mr. President, that is much appreciated.

There are two things I want to discuss, briefly. First, this week in the city of Philadelphia, actually tomorrow, on Friday, is a conference that was put together by the mayor and his staff on pipeline safety. We are seeing more and more pipelines being introduced into especially the southeast, but also other portions of the State, Lancaster County is certainly an area that is now being inundated with pipelines, to move natural gas and other energy sources through the Commonwealth of Pennsylvania. We are always concerned about not only safety, but having the residents and municipalities involved in the location of the pipes as well, and after we get a report back sometime next month, I believe the gentleman from Chester, my good friend, Senator Dinniman, and I will have a press conference talking about our bills that are in the Senate, and one that Senator Dinniman will be introducing very shortly, and continue to discuss pipeline safety, a very important issue in the Commonwealth of Pennsylvania.

Mr. President, then the second mention, today we learned of a very serious accident in the city of Philadelphia, an Amtrak train derailed and there have been several deaths. The last I heard it was six deaths, but they still had to move a car yet, and several hundred people were in the hospital with injuries. It is a very tragic situation. The National Transportation Safety Board, as well as PUC inspectors, are on-site now, and, Mr. President, we learned that the Amtrak inspectors themselves, just 2 weeks ago, inspected those tracks, so the reason for the accident remains a bit of a mystery. We hope to be able to hear from the National Transportation Safety Board soon. I want to specifically mention, Mr. President, the first responders who are there en masse, and doing a tremendous job. The residents first ran to the scene, realized the experts were there, brought them food, brought them water, and let them do their job. You have the first responders from the city of Philadelphia, the railroad police doing an amazing job, a tremendous job, the Pennsylvania State Police, as always, present to assist and to take over in matters that require their expertise, and F.O.P. Lodge 5, my friend, John McNesby, president of the lodge, are doing omnibus work down there. They are really there to assist the railroad police and the Troopers to direct traffic, to handle any emergency situations that arise, and they have also brought in food and water for the emergency workers, so a real credit to John McNesby and F.O.P. Lodge 5 for the work they are doing.

We hope, all of us here in the Commonwealth of Pennsylvania, Mr. President, that we can put this issue to rest when we find out exactly what the trouble was and why the train derailed. We hope and pray for those who have been injured, and, Mr. President, I know that all of us in the Senate of Pennsylvania keep in our thoughts and prayers those who have perished in this terrible accident and their families, that they may be comforted by the Almighty in this dire time.

Thank you, Mr. President.

The PRESIDENT. The Chair thanks Senator Rafferty for an important and apropos petition.

The Chair recognizes the gentlewoman from Philadelphia, Senator Kitchen.

Senator KITCHEN. Mr. President, I join my colleague and friend, too, in expressing prayers and wishes to all of those families who were touched by the terrible accident. We are really, it is more than lucky, it is really blessed when we have a mode of transportation that is as reasonable as the trains. I can remember when my family was younger that our way of traveling south was on the train to visit our relatives. Then when my daughter, who lived in Washington, was ill and we had to make several trips, we used the train. It was reasonable. If it had not been for that train, Amtrak, we would not have been able to visit my daughter.

Mr. President, you cannot help but see that the rail system and the Congress people who represent transportation have been asking for a transportation bill forever. I think that a good job has been done with the resources that they have, but I really wish that Congress and the United States Senate would take a look at that transportation bill. While I am certainly not saying that it is the cause here, we can look at it, and if you have ridden the train system over any period of time, you can see that there have not been that many changes, even to the eye, and I know that they are struggling to make, of course, safety standards. I have even talked to people who work on the railroad and they will tell you that.

So, Mr. President, I hope this is kind of a wake-up call for us that we could save this treasure that we have, because it affects so many people's lives, because so many people can afford to travel on it. It connects families and it also connects businesses.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Rafferty.

Senator RAFFERTY. Mr. President, I, too, want to rise and thank Senator Kitchen for her stirring comments being right on point. As usual, Senator Kitchen is very frank and hits the nail on the head, and I am appreciative of that.

Mr. President, one more thing before we leave, we will be on break for the election and then Memorial Day, and I do not think that we can allow Memorial Day to pass without a comment. It is a time of the year when certainly a number of barbecues happen, family picnics, swimming pools open, but it is also a day that we have parades in some of our towns commemorating those who have served and those who have made the ultimate sacrifice. So, on this Memorial Day, let us all remember that we still have men and women in military uniform serving not only here in the United States, but on foreign shores, and some in very dangerous areas. Those serving us in the military, those serving us now in law enforcement, where we are seeing more and more provocation and tax on our law enforcement community, Mr. President, especially, we want to remember those men and women of the U.S. military who made the ultimate sacrifice to allow us to have those picnics, to open our swimming pools, and most importantly, to allow us as residents of this Commonwealth to vote next Tuesday, an exercise that they fought to make sure that we had the right to do, to choose the people we want, is one of the many freedoms that we enjoy in this country due to the men and women of the U.S. military. So, on this Memorial Day, may we remember them in our thoughts and prayers and remember those who made the ultimate sacrifice and thank them for their service.

Thank you, Mr. President.

The PRESIDENT. The Chair appreciates the sentiments of the dedication of those who have been so brave to make this country so wonderful and great.

## HOUSE MESSAGES

### HOUSE BILLS FOR CONCURRENCE

The Clerk of the House of Representatives presented to the Senate the following bills for concurrence, which were referred to the committee indicated:

May 13, 2015

**HB 160** and **297** -- Committee on Local Government.

### APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDENT. The Chair wishes to announce the President pro tempore has made the following appointment:

Mr. Joseph M. McColgan as a member of the Pennsylvania Intergovernmental Cooperation Authority.

## BILL SIGNED

The PRESIDENT (Lieutenant Governor Mike Stack) in the presence of the Senate signed the following bill:

**SB 266.**

## RECESS

The PRESIDENT. The Chair recognizes the gentleman from Columbia, Senator Gordner.

Senator GORDNER. Mr. President, I move that the Senate do now recess until Monday, June 1, 2015, at 1 p.m., Eastern Daylight Saving Time, unless sooner recalled by the President pro tempore.

The motion was agreed to by voice vote.

The Senate recessed at 4 p.m., Eastern Daylight Saving Time.