
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 353 Session of
2007

INTRODUCED BY MARKOSEK, GEIST, BRENNAN, BUXTON, KIRKLAND, LENTZ,
MUSTIO, PETRONE, SOLOBAY, WALKO AND JOSEPHS, JUNE 25, 2007

REFERRED TO COMMITTEE ON TRANSPORTATION, JUNE 25, 2007

A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to study
2 the feasibility and cost-effectiveness of placing transit
3 agency employees under the Commonwealth's jurisdiction for
4 the purposes of providing health benefits and pension
5 benefits and to make a report.

6 WHEREAS, Pennsylvania's public transportation and highway and
7 bridge systems are in crisis in terms of funding and
8 deteriorating physical condition; and

9 WHEREAS, There is increasing concern among citizen taxpayers
10 of this Commonwealth over the rising cost of postretirement
11 health care, pensions and other benefits in private and public
12 sectors; and

13 WHEREAS, There are 74 transit systems in this Commonwealth,
14 and the extent of health benefit coverage provided to transit
15 employees is currently negotiated on a system-by-system basis,
16 giving the State little or no control over the growth in these
17 expenditures; and

18 WHEREAS, State operating assistance currently used to pay for
19 a portion of health insurance for transit employees, including

1 transit employees in the Pennsylvania Employee Benefit Trust
2 Fund, which currently provides health care benefits to
3 Commonwealth employees, may reduce the annual allocation to
4 transit agencies or allow current State funding to be used more
5 efficiently; and

6 WHEREAS, The Transportation Funding and Reform Commission, in
7 its 2006 report, recommended a series of opportunities to
8 optimize transit operations, with the potential to improve
9 productivity, increase revenues and decrease costs within the
10 Commonwealth's transit systems; and

11 WHEREAS, Commission recommendations include exploring
12 opportunities for transit agencies to join the State employee
13 health benefit program and the potential to form a Statewide
14 transit pension system or include transit employees in the State
15 pension plan; and

16 WHEREAS, It is critical to assure taxpayers that governmental
17 agencies are providing services in an efficient and cost-
18 effective manner, thus optimizing utilization of taxpayer
19 dollars; therefore be it

20 RESOLVED, That the House of Representatives direct the
21 Legislative Budget and Finance Committee to study the
22 feasibility and potential cost-effectiveness of placing transit
23 agency employees under the same group health and pension
24 benefits provided for Commonwealth employees; and be it further

25 RESOLVED, That for the purposes of this study the committee
26 examine health benefits, including medical, dental, vision and
27 prescription drug programs and pension benefits and be charged
28 with the following:

29 (1) Analyzing specific health benefits and retirement
30 programs currently provided by transit systems throughout

1 this Commonwealth, the premium costs related thereto and the
2 pattern of growth in these costs.

3 (2) Comparing the cost of transit system health benefits
4 and retirement benefits with benefits provided for
5 Commonwealth employees.

6 (3) Determining prospective benefits, particularly
7 potential reductions in costs to the Commonwealth and to
8 transit systems that might accrue as a result of the addition
9 of 15,000 transit employees to the estimated 144,000 current
10 members of the Pennsylvania Employee Benefit Trust Fund.

11 (4) Determining prospective benefits, particularly
12 potential reductions in costs to the Commonwealth and to
13 transit systems that might accrue as a result of the addition
14 of 15,000 transit employees to the estimated 213,000 current
15 members of the State Employees' Retirement System.

16 (5) Reviewing other considerations in a possible merger
17 of these two groups for health benefit and retirement
18 purposes, including the impact on collective bargaining and
19 the possible effect on the Pennsylvania Employee Benefit
20 Trust Fund, as well as the State Employees' Retirement
21 System.

22 (6) Reviewing the manner in which other states may be
23 providing health and retirement benefits for their transit
24 employees in order to better control growth in related costs;
25 and be it further

26 RESOLVED, That in compiling this report the committee seek
27 input from the Department of Transportation, the Pennsylvania
28 Public Transportation Association, the Southeastern Pennsylvania
29 Transportation Authority, the Port Authority of Allegheny
30 County, the Governor's Office of Administration, group insurance

1 providers and any other groups or individuals who may have
2 relevant information; and be it further

3 RESOLVED, That the committee report its findings and
4 recommendations to the House of Representatives no later than
5 June 30, 2008.