

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2051 Session of 2015

INTRODUCED BY TOBASH AND HARHAI, MAY 11, 2016

AS REPORTED FROM COMMITTEE ON STATE GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 21, 2016

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," in organization of
21 independent administrative boards and commissions,
22 transferring certain powers and duties relating to public
23 pension system analysis and legislation; providing for the
24 Independent Fiscal Office; in powers and duties of the
25 Department of the Auditor General, transferring certain
26 powers and duties relating to municipal pension reporting and
27 analysis; and making related repeals.

28 The General Assembly of the Commonwealth of Pennsylvania

29 hereby enacts as follows:

30 Section 1. The act of April 9, 1929 (P.L.177, No.175), known

1 as The Administrative Code of 1929, is amended by adding a <--
2 section AN ARTICLE to read: <--
3 ~~Section 310. Transferring Certain Powers and Duties Relating <--~~
4 ~~to Public Pension System Analysis and Legislation. (a)~~
5 ~~Notwithstanding any other provision of law, the Independent~~
6 ~~Fiscal Office shall have the following additional duties as they~~
7 ~~relate to any retirement pension plan or pension system~~
8 ~~established by a municipality under any act or authority granted~~
9 ~~by the General Assembly and any retirement or pension plan~~
10 ~~established and administered pursuant to 24 Pa.C.S. Pt. IV~~
11 ~~(relating to retirement for school employees) and 71 Pa.C.S. Pt.~~
12 ~~XXV (relating to retirement for State employees and officers):~~
13 ~~(1) At the request of any officer listed in this clause, to~~
14 ~~analyze the provisions of a bill relating to public employe~~
15 ~~retirement or pension policy and issue a report on the bill in a~~
16 ~~timely fashion. The report shall provide a synopsis of the bill~~
17 ~~and financial cost and shall identify proposed changes to~~
18 ~~current law and current policy. The report, after consultation~~
19 ~~with the requesting officer, may include an assessment of the~~
20 ~~actuarial impact and shall be submitted to the following:~~
21 ~~(i) The President pro tempore of the Senate and the Speaker~~
22 ~~of the House of Representatives.~~
23 ~~(ii) The Majority Leader and the Minority Leader of the~~
24 ~~Senate.~~
25 ~~(iii) The Majority Leader and the Minority Leader of the~~
26 ~~House of Representatives.~~
27 ~~(iv) The chairperson and the minority chairperson of the~~
28 ~~Appropriations Committee of the Senate.~~
29 ~~(v) The chairperson and the minority chairperson of the~~
30 ~~Appropriations Committee of the House of Representatives.~~

1 ~~(2) To prepare actuarial notes in the form and manner~~
2 ~~prescribed under section 7 of the act of July 9, 1981 (P.L.208,~~
3 ~~No.66), known as the "Public Employee Retirement Commission~~
4 ~~Act," by selecting an enrolled pension actuary to prepare an~~
5 ~~actuarial note. Actuarial notes shall include a reliable~~
6 ~~estimate of the financial and actuarial effect of the proposed~~
7 ~~change in any pension or retirement system. The Independent~~
8 ~~Fiscal Office shall transmit actuarial notes to the Governor,~~
9 ~~President pro tempore of the Senate and the Speaker of the House~~
10 ~~of Representatives within the time periods specified under~~
11 ~~section 7 of the "Public Employee Retirement Commission Act" at~~
12 ~~the request of any of the following:~~

13 ~~(i) The President pro tempore of the Senate or the Speaker~~
14 ~~of the House of Representatives.~~

15 ~~(ii) The Majority Leader or the Minority Leader of the~~
16 ~~Senate.~~

17 ~~(iii) The Majority Leader or the Minority Leader of the~~
18 ~~House of Representatives.~~

19 ~~(iv) The chairperson or the minority chairperson of the~~
20 ~~Appropriations Committee of the Senate.~~

21 ~~(v) The chairperson or the minority chairperson of the~~
22 ~~Appropriations Committee of the House of Representatives.~~

23 ~~(3) To establish and review public employe retirement plans~~
24 ~~for actuarial soundness and report the results to the General~~
25 ~~Assembly.~~

26 ~~(4) To maintain the following on its Internet website in a~~
27 ~~publicly accessible and searchable area:~~

28 ~~(i) All actuarial notes issued by the Public Employee~~
29 ~~Retirement Commission prior to the effective date of this~~
30 ~~section.~~

1 ~~(ii) All actuarial notes issued by the Independent Fiscal~~
2 ~~Office.~~

3 ~~(iii) Any other information that is requested to be posted~~
4 ~~by an officer listed in clause (1).~~

5 ~~(5) After expending all appropriations for the performance~~
6 ~~of its duties under this section, to request a reimbursement of~~
7 ~~expense from the entity requesting the preparation of materials~~
8 ~~under this subsection.~~

9 ~~(6) To perform any other duty under section 6(a)(1) or (10)~~
10 ~~of the "Public Employee Retirement Commission Act" as requested~~
11 ~~by any officer listed in paragraph (1).~~

12 ~~(b) A restricted account is established in the General Fund~~
13 ~~which shall consist of reimbursement payments received by the~~
14 ~~Independent Fiscal Office under subsection (a)(5). The money in~~
15 ~~the restricted account is hereby appropriated on a continuing~~
16 ~~basis to the Independent Fiscal Office for the purpose of the~~
17 ~~performance of its duties under this section, provided that the~~
18 ~~money in the restricted account may not be expended unless the~~
19 ~~Independent Fiscal Office expends all other appropriations for~~
20 ~~the performance of its duties under this section.~~

21 ~~(c) As used in this section, the term "public employe~~
22 ~~retirement plan" shall mean any of the following:~~

23 ~~(1) The State Employees' Retirement System established under~~
24 ~~71 Pa.C.S. Pt. XXV.~~

25 ~~(2) The Public School Employees' Retirement System~~
26 ~~established under 24 Pa.C.S. Pt. IV.~~

27 ~~(3) The Pennsylvania Municipal Retirement System established~~
28 ~~under the act of February 1, 1974 (P.L.34, No.15), known as the~~
29 ~~"Pennsylvania Municipal Retirement Law."~~

30 ~~(4) Any other independent pension or retirement plan for~~

1 ~~public officers and employes of the Commonwealth.~~

2 ~~(5) Pension or retirement plans established under 11 Pa.C.S.~~
3 ~~Pt. V (relating to third class cities).~~

4 ~~(6) Pension or retirement plans created pursuant to the act~~
5 ~~of May 29, 1956 (1955 P.L.1804, No.600), referred to as the~~
6 ~~Municipal Police Pension Law.~~

7 Section 2. ~~The act is amended by adding an article to read:~~

8 ARTICLE VI-B

9 INDEPENDENT FISCAL OFFICE

10 Section 601-B. Scope of article.

11 This article relates to independent fiscal estimates.

12 Section 602-B. Definitions.

13 The following words and phrases when used in this article
14 shall have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Commonwealth agency." Any office, department, authority,
17 board, multistate agency or commission of the executive branch.

18 The term includes:

19 (1) The Office of the Governor.

20 (2) The Office of Attorney General, the Department of
21 the Auditor General and the Treasury Department.

22 (3) An independent agency as defined in 62 Pa.C.S. § 103
23 (relating to definitions).

24 (4) A State-affiliated entity as defined in 62 Pa.C.S. §
25 103 (relating to definitions).

26 (5) The General Assembly.

27 (6) The Judiciary.

28 "Director." The Director of the Independent Fiscal Office.

29 "Office." The Independent Fiscal Office established in
30 section 603-B.

1 "PROPOSED COLLECTIVE BARGAINING AGREEMENT." THE TERMS OF
2 BARGAINING BETWEEN A PUBLIC EMPLOYER AND AN EMPLOYEE
3 ORGANIZATION THAT:

4 (1) APPLY TO WAGES, HOURS, TERMS AND CONDITIONS OF
5 EMPLOYMENT, BENEFITS AND WORKING CONDITIONS.

6 (2) ARE:

7 (I) REDUCED TO WRITING.

8 (II) AGREED UPON BY DESIGNATED REPRESENTATIVES OF
9 THE PUBLIC EMPLOYER AND THE EMPLOYEE ORGANIZATION.

10 (III) SUBMITTED FOR ACCEPTANCE AS A CONTRACT TO THE
11 PUBLIC EMPLOYER AND THE PUBLIC EMPLOYEE ORGANIZATION.

12 "PUBLIC EMPLOYEE RETIREMENT PLAN." ANY OF THE FOLLOWING:

13 (1) THE STATE EMPLOYEES' RETIREMENT SYSTEM ESTABLISHED
14 UNDER 71 PA.C.S. PT. XXV (RELATING TO RETIREMENT FOR STATE
15 EMPLOYEES AND OFFICERS).

16 (2) THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
17 ESTABLISHED UNDER 24 PA.C.S. PT. IV (RELATING TO RETIREMENT
18 FOR SCHOOL EMPLOYEES).

19 (3) THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM
20 ESTABLISHED UNDER THE ACT OF FEBRUARY 1, 1974 (P.L.34,
21 NO.15), KNOWN AS THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW.

22 (4) ANY OTHER INDEPENDENT PENSION OR RETIREMENT PLAN FOR
23 PUBLIC OFFICERS AND EMPLOYEES OF THE COMMONWEALTH.

24 (5) PENSION OR RETIREMENT PLANS ESTABLISHED UNDER 11
25 PA.C.S. CH. 143 (RELATING TO PENSIONS).

26 (6) PENSION OR RETIREMENT PLANS ESTABLISHED UNDER THE
27 ACT OF MAY 29, 1956 (1955 P.L.1804, NO.600), REFERRED TO AS
28 THE MUNICIPAL POLICE PENSION LAW.

29 "Selection and organization committee." The Independent
30 Fiscal Office Selection and Organization Committee.

1 Section 603-B. Office established.

2 There is established a nonpartisan Independent Fiscal Office
3 as an independent agency.

4 Section 604-B. Duties of office.

5 (a) Mandatory.--The office shall:

6 (1) Prepare revenue estimates to include Federal funds,
7 State revenues and funds from other resources, including any
8 projected revenue surplus or deficit for a given fiscal year,
9 as provided under section 605-B.

10 (2) By November 15 of each year, provide an assessment
11 of the State's current fiscal condition and a projection of
12 what the fiscal condition will be during the next five years.
13 The assessment shall take into account the state of the
14 economy, demographics, revenues and expenditures.

15 (3) Develop performance measures for executive-level
16 programs and departments and evaluate performance measures
17 and results as promulgated and reported by executive-level
18 departments. Performance measurements shall be outcome based
19 and include, but not be limited to, activity cost analysis,
20 measures of status improvement of recipient populations,
21 economic outcomes and performance benchmarks against similar
22 State programs.

23 (4) Provide an analysis, including economic impact, of
24 all tax and revenue proposals submitted by the Governor or
25 the Office of the Budget.

26 (5) Study and analyze the existing sales and use tax law
27 and propose recommendations to the Governor and the General
28 Assembly for amending the tax to:

29 (i) eliminate obsolete and unnecessary provisions;

30 (ii) expand the tax base as necessary;

1 (iii) ensure a competitive economic market in this
2 Commonwealth; and

3 (iv) protect the stability of the Commonwealth's
4 budget.

5 (6) Establish an Internet website.

6 (7) Study and analyze the impact of shared-risk
7 contributions under 24 Pa.C.S. § 8321(b) (relating to regular
8 member contributions for current service) and 71 Pa.C.S. §
9 5501.1 (relating to shared-risk member contributions for
10 Class A-3 and Class A-4 service).

11 (8) PROVIDE A COST ANALYSIS FOR THE CURRENT FISCAL YEAR <--
12 AND REMAINING SUBSEQUENT FISCAL YEARS OF THE IMPACT OF EACH
13 PROPOSED COLLECTIVE BARGAINING AGREEMENT UNDER THE
14 JURISDICTION OF THE GOVERNOR PRIOR TO EXECUTION, INCLUDING
15 THE COSTS TO COVER PUBLIC EMPLOYEE WAGES, BENEFITS, PENSIONS
16 AND WORKING CONDITIONS THAT HAVE BEEN REDUCED IN WRITING
17 UNDER SECTION 701 OF THE ACT OF JULY 23, 1970 (P.L.563,
18 NO.195), KNOWN AS THE PUBLIC EMPLOYE RELATIONS ACT.

19 (b) Discretionary.--The office may:

20 (1) Develop and use econometric models to annually
21 forecast State revenues and update the models. The office
22 shall make the equations of a model and any historic
23 databases related thereto available to the chair and minority
24 chair of the Appropriations Committee of the Senate, the
25 chair and minority chair of the Appropriations Committee of
26 the House of Representatives, the Majority Leader and
27 Minority Leader of the Senate and the Majority Leader and
28 Minority Leader of the House of Representatives.

29 (2) Provide an analysis of the executive budget,
30 including budgetary projections, economic outlook and

1 economic impact. The budget analysis may include performance
2 recommendations to secure greater efficiency and economy.

3 (3) Provide an assessment of the Pennsylvania economy
4 and the national economy and the impact of the existing or
5 emerging State or national economic trends on revenue
6 performance for the current year and the forecasted or
7 projected revenue collections for the budget year and the
8 succeeding year.

9 Section 605-B. Revenue estimates.

10 (a) Initial revenue estimate.--By May 1, the office shall
11 submit to the General Assembly an initial revenue estimate for
12 the next fiscal year.

13 (b) Official revenue estimate.--

14 (1) By June 15 of each year, the office shall submit an
15 official revenue estimate for the next fiscal year.

16 (2) A revenue estimate submitted under this section
17 shall be considered by the Governor and the General Assembly
18 as the amount of revenue which may be considered for the
19 general appropriation act for the ensuing fiscal year unless
20 the General Assembly or the Governor determines that revenues
21 are greater than or less than the estimate provided under
22 this section. The office may amend the revenue estimate under
23 this section if changes in law affecting revenues and
24 receipts are enacted or proposed to be enacted with the
25 annual State budget or unless significant changes in economic
26 assumptions occur prior to June 30. The office shall submit
27 the amended revenue estimate to the General Assembly within
28 10 days of the change.

29 (3) The office shall publish the methodology used to
30 develop revenue estimates.

1 (c) Information.--The office shall provide the chair and
2 minority chair of the Appropriations Committee of the Senate,
3 the chair and minority chair of the Appropriations Committee of
4 the House of Representatives and the Secretary of the Budget all
5 data, assumptions or econometric models used to develop
6 projections and revenue estimates.

7 (d) Required information.--

8 (1) A revenue estimate submitted by the office under
9 subsection (b) shall include:

10 (i) Projected revenue collections by specific tax or
11 revenue source, including Federal funds, the General
12 Fund, the Lottery Fund and the Motor License Fund.

13 (ii) All data, assumptions and econometric models
14 used to develop a revenue estimate.

15 (iii) Any projected revenue surplus or deficit for
16 the current fiscal year.

17 (2) A revenue estimate shall be based on existing law
18 and tax policy and existing or emerging State or national
19 economic trends.

20 (e) Proposed change in law.--The office shall prepare a
21 revenue estimate of any change in law affecting revenues and
22 receipts, including increases in regulatory fees, proposed or
23 considered as part of the annual State budget. If the proposed
24 change in law will have a fiscal impact in excess of \$10,000,000
25 in any fiscal year, the estimate shall be prepared on the basis
26 of assumptions that estimate the probable behavioral responses
27 of taxpayers, businesses and other persons to the proposed
28 changes and shall include a statement identifying those
29 assumptions. The information may be used to revise the revenue
30 estimate under subsection (a).

1 (f) Department of Revenue.--The Department of Revenue in
2 conjunction with the Secretary of the Budget shall make revenue
3 estimates for the use of the Governor in preparing the budget.

4 (g) Governor.--The Governor shall certify that any
5 appropriation bill does not cause total appropriations to exceed
6 revenues plus any unappropriated surplus as provided in section
7 618.

8 Section 606-B. Budget information.

9 The office shall be notified and shall attend any briefings
10 provided by the Governor or the Secretary of the Budget under
11 section 619.

12 Section 607-B. Expenditures.

13 (a) Expenditure reports.--Commonwealth agencies shall make
14 monthly expenditure data available to the office. The data shall
15 be provided within seven days after the end of each month. The
16 monthly data shall include a summary of the last monthly
17 submission. The data shall be provided in finished reports or
18 electronically, as provided in this act. The data shall be
19 provided by fund, by appropriation, by department and by
20 organization within each department and shall include:

21 (1) Number of filled personnel positions and their cost.

22 (2) Itemized personnel vacancies and their cost.

23 (3) New positions created and their cost.

24 (4) Wage and overtime costs.

25 (5) Allotments and expenditures for itemized personnel
26 expenses.

27 (6) Allotments and expenditures for itemized operating
28 expenses.

29 (7) Allotments and expenditures for itemized fixed
30 assets.

1 (8) The rate of expenditures in appropriations for major
2 subsidy and grant programs during the month.

3 (b) Revenue reports.--The Governor shall direct that monthly
4 revenue reports be submitted to the office. The revenue reports
5 shall show the actual collection of revenue itemized by source
6 and a comparison of the actual collections with estimated
7 collections for each month. The comparison shall include an
8 analysis of any change in collection patterns which will cause a
9 shortfall or overrun on annual estimates of more than 1%.

10 (c) Other revenue data.--Commonwealth agencies shall cause
11 to be prepared any other revenue data as may be requested from
12 time to time by the office.

13 (d) Electronic access.--Except for information that is
14 confidential pursuant to statute, the office shall have access
15 to all information available under this section on inquiry-only
16 screens through an integrated central computer system.

17 Section 608-B. Revenue conference.

18 By January 31 of each year, the office shall convene a
19 meeting with the Secretary of the Budget, the Secretary of
20 Revenue and the chair and minority chair of the Appropriations
21 Committee of the Senate and the chair and minority chair of the
22 Appropriations Committee of the House of Representatives to
23 discuss the following:

24 (1) The Pennsylvania economy and the national economy
25 and the impact of the economic trends on revenue performance
26 for the budget year and the succeeding year.

27 (2) Current year-to-date revenue collections by specific
28 tax or revenue source, including Federal funds, the General
29 Fund, the Lottery Fund and the Motor License Fund and
30 variations that may be occurring in the revenue estimate

1 submitted under section 605-B(a).

2 (3) Any statutory or tax policy changes that may be
3 recommended by the Governor or the General Assembly for the
4 next succeeding fiscal year.

5 Section 609-B. Access to information.

6 (a) Agencies.--The director is authorized to secure
7 information, data, expense information, estimates and statistics
8 directly from a Commonwealth agency or a political subdivision.
9 All Commonwealth agencies and political subdivisions shall
10 furnish the director with all reports of expenditure for each
11 agency and any other available material or data which the
12 director determines to be necessary in the performance of the
13 duties of the office, other than material the disclosure of
14 which would be a violation of law. The director is also
15 authorized, upon agreement with the head of any Commonwealth
16 agency or political subdivision, to utilize the services,
17 facilities and personnel of the agency with or without
18 reimbursement.

19 (b) Office of the Budget.--In carrying out the duties and
20 functions of the office, the director is authorized to obtain
21 information, data, estimates and statistics developed by the
22 Office of the Budget and all Commonwealth agencies. The Office
23 of the Budget shall submit to the office copies of final agency
24 budget requests at the same time they are submitted to the
25 General Assembly under this act.

26 (c) Computer database.--In order to carry out its duties
27 under this article, the office shall have access to any
28 computerized database of a State agency that is required to aid
29 the office in the performance of its duties, except that any
30 statutory requirements regarding privacy of individuals' records

1 shall be observed in providing access.

2 (d) Daily revenue data.--

3 (1) The Secretary of Revenue and the Secretary of the
4 Budget shall post revenue collection data for each deposit
5 day and make the information available to the office and the
6 chair and minority chair of the Appropriations Committee of
7 the Senate and the chair and minority chair of the
8 Appropriations Committee of the House of Representatives.

9 (2) The Governor, the Attorney General, the Auditor
10 General and the State Treasurer shall cause to be prepared
11 any other revenue data as may be requested by the office.

12 (e) Tax information.--For the purposes of carrying out its
13 official duties under section 605-B and notwithstanding any
14 other law of this Commonwealth, the office shall be authorized
15 to access any information in the possession of the Department of
16 Revenue that is obtained from tax payments, returns or reports,
17 including adjustments or corrections made by the ~~department~~ <--
18 DEPARTMENT OF REVENUE. The information accessed under this <--
19 section shall be confidential except for official purposes and
20 any person divulging the information shall be subject to section
21 731 of the act of April 9, 1929 (P.L.343, No.176), known as The
22 Fiscal Code.

23 (f) Civil action.--If information is not made available by a
24 Commonwealth agency or political subdivision within a reasonable
25 time, the director may make a written request to the agency
26 head, stating the authority to receive the information. The
27 agency head shall have 15 days to respond. If the information is
28 not provided within 15 days of the receipt of the director's
29 request, the director may bring a civil action to require the
30 agency head to provide the information.

1 (G) COLLECTIVE BARGAINING AGREEMENTS.--THE OFFICE OF
2 ADMINISTRATION AND THE OFFICE OF THE BUDGET SHALL:

3 (1) SUBMIT TO THE OFFICE AT LEAST 20 DAYS, EXCLUDING
4 WEEKENDS AND HOLIDAYS, IN ADVANCE OF ITS EXECUTION COPIES OF
5 EACH PROPOSED COLLECTIVE BARGAINING AGREEMENT UNDER THE
6 JURISDICTION OF THE GOVERNOR.

7 (2) CONCURRENT WITH EACH SUBMISSION UNDER PARAGRAPH (1),
8 PROVIDE THE OFFICE WITH A DETAILED COST ANALYSIS OF THE
9 PROPOSED COLLECTIVE BARGAINING AGREEMENT. THE ANALYSIS SHALL
10 COMPARE THE COLLECTIVE BARGAINING AGREEMENT IN EFFECT AT THE
11 TIME OF SUBMISSION TO PROJECTIONS FOR THE PROPOSED COLLECTIVE
12 BARGAINING AGREEMENT FOR THE CURRENT FISCAL YEAR AND THE
13 REMAINING SUBSEQUENT FISCAL YEARS IN THE AGREEMENT. THE
14 ANALYSIS SHALL INCLUDE:

15 (I) THE NUMBER OF EMPLOYEES COVERED BY THE
16 AGREEMENT, BY FUND.

17 (II) WAGES AND SALARIES, BY FUND.

18 (III) EMPLOYER COSTS FOR EMPLOYEE BENEFITS,
19 INCLUDING PENSION CONTRIBUTIONS, BY FUND.

20 (IV) A SUMMARY OF THE CHANGES TO PAID LEAVE, WORKING
21 HOURS, WORKING CONDITIONS OR ANY OTHER TERM OF EMPLOYMENT
22 IN THE PROPOSED COLLECTIVE BARGAINING AGREEMENT AND THE
23 PROJECTED COST OF SUCH CHANGES, BY FUND.

24 (V) A STATEMENT EXPLAINING THE DATA, ASSUMPTIONS AND
25 METHODOLOGY USED TO MAKE THE PROJECTIONS.

26 (3) WITHIN FOUR DAYS, EXCLUDING WEEKENDS AND HOLIDAYS,
27 OF A REQUEST BY THE DIRECTOR PROVIDE THE OFFICE WITH ANY
28 INFORMATION, DATA, STATISTICS OR ANALYSIS DETERMINED BY THE
29 DIRECTOR TO BE NECESSARY TO FULFILL THE OFFICE'S OBLIGATIONS
30 UNDER SECTION 604-B.

1 Section 610-B. Selection and organization committee.

2 (a) Selection and organization committee.--The Independent
3 Fiscal Office Selection and Organization Committee is
4 established to organize the office and select the director of
5 the office. The selection and organization committee shall
6 consist of the following:

7 (1) The chair and minority chair of the Appropriations
8 Committee of the Senate and the chair and minority chair of
9 the Appropriations Committee of the House of Representatives.

10 (2) The Majority Leader and the Minority Leader of the
11 Senate and the Majority Leader and the Minority Leader of the
12 House of Representatives.

13 (3) The President pro tempore of the Senate and the
14 Speaker of the House of Representatives.

15 (b) Duties of committee.--The selection and organization
16 committee shall deliberate the following:

17 (1) The procedures to be adopted to select the director
18 of the office.

19 (2) The operational budget for the office.

20 Section 611-B. Appointment.

21 (a) Director.--The office shall be headed by a director
22 appointed by the selection and organization committee. The
23 appointment shall be made without regard to political
24 affiliation and solely on the basis of fitness to perform the
25 duties of the office based on qualifications published by the
26 selection and organization committee.

27 (b) Deputy director.--The director shall appoint a deputy
28 director who shall perform such duties as assigned by the
29 director and who shall, during the absence or incapacity of the
30 director or a vacancy, act as the director.

1 (c) Term.--The term of office of the director shall be six
2 years. An individual appointed as director to fill a vacancy
3 prior to the expiration of a term shall serve only for the
4 unexpired portion of that term. An individual serving as
5 director at the expiration of a term may continue to serve until
6 a successor is appointed.

7 (d) Removal.--The director may be removed by a concurrent
8 resolution passed by the Senate and the House of
9 Representatives.

10 Section 612-B. Powers and duties of director.

11 (a) Personnel.--The director shall appoint and fix the
12 compensation of personnel as necessary to carry out the duties
13 and functions of the office. All personnel of the office shall
14 be appointed without regard to political affiliation and solely
15 on the basis of their fitness to perform their duties.

16 (b) Experts and consultants.--In carrying out the duties and
17 functions of the office, the director may procure the temporary
18 or intermittent services of attorneys, experts or consultants or
19 organization thereof by contract.

20 Section 613-B. Records.

21 The office shall be a legislative agency for purpose of the
22 act of February 14, 2008 (P.L.6, No.3), known as the Right-to-
23 Know Law.

24 Section 614-B. Applicability.

25 To the extent that this article is inconsistent with section
26 618, the provisions of this article shall apply.

27 SECTION 615-B. ADDITIONAL DUTIES.

28 (A) ACTUARIAL NOTES.--THE OFFICE SHALL PREPARE ACTUARIAL
29 NOTES BY SELECTING AN ENROLLED PENSION ACTUARY TO PREPARE AN
30 ACTUARIAL NOTE. ACTUARIAL NOTES SHALL INCLUDE A RELIABLE

<--

1 ESTIMATE OF THE FINANCIAL AND ACTUARIAL EFFECT OF THE PROPOSED
2 CHANGE IN ANY PENSION OR RETIREMENT SYSTEM. THE FINANCIAL
3 ANALYSIS CONTAINED IN ACTUARIAL NOTES FOR LEGISLATION THAT
4 PROPOSES SUBSTANTIAL BENEFIT DESIGN CHANGES UNDER 24 PA.C.S. PT.
5 IV (RELATING TO RETIREMENT FOR SCHOOL EMPLOYEES) AND 71 PA.C.S.
6 PT. XXV (RELATING TO RETIREMENT FOR STATE EMPLOYEES AND
7 OFFICERS) SHALL INCLUDE, BUT NOT BE LIMITED TO, A RISK TRANSFER
8 ANALYSIS. THE ACTUARIAL NOTE SHALL BE FACTUAL AND, IF POSSIBLE,
9 PROVIDE A RELIABLE ESTIMATE OF BOTH THE IMMEDIATE COST AND
10 EFFECT OF THE BILL AND, IF DETERMINABLE OR REASONABLY
11 FORSEEABLE, THE LONG-RANGE ACTUARIAL COST AND EFFECT OF THE
12 BILL. THE OFFICE SHALL TRANSMIT ACTUARIAL NOTES TO THE GOVERNOR
13 AND THE OFFICERS LISTED IN THIS SUBSECTION WITHIN THE TIME
14 PERIODS SPECIFIED UNDER THIS SECTION UPON THE REQUEST OF ANY OF
15 THE FOLLOWING:

16 (1) THE PRESIDENT PRO TEMPORE OF THE SENATE OR THE
17 SPEAKER OF THE HOUSE OF REPRESENTATIVES.

18 (2) THE MAJORITY LEADER OR THE MINORITY LEADER OF THE
19 SENATE.

20 (3) THE MAJORITY LEADER OR THE MINORITY LEADER OF THE
21 HOUSE OF REPRESENTATIVES.

22 (4) THE CHAIRPERSON OR MINORITY CHAIRPERSON OF THE
23 APPROPRIATIONS COMMITTEE OF THE SENATE.

24 (5) THE CHAIRPERSON OR MINORITY CHAIRPERSON OF THE
25 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

26 (6) THE CHAIRPERSON OF THE STANDING COMMITTEE OF THE
27 SENATE TO WHICH THE BILL IS REFERRED.

28 (7) THE CHAIRPERSON OF THE STANDING COMMITTEE OF THE
29 HOUSE OF REPRESENTATIVES TO WHICH THE BILL IS REFERRED.

30 (B) ANALYSIS.--AT THE REQUEST OF AN OFFICER LISTED IN

1 SUBSECTION (A), THE OFFICE SHALL ANALYZE THE PROVISIONS OF A
2 BILL RELATING TO PUBLIC EMPLOYEE RETIREMENT OR PENSION POLICY
3 AND ISSUE A REPORT ON THE BILL IN A TIMELY FASHION TO THE
4 GOVERNOR AND THE OFFICERS LISTED IN SUBSECTION (A). THE REPORT
5 SHALL PROVIDE A SYNOPSIS OF THE BILL AND FINANCIAL COST AND
6 IDENTIFY PROPOSED CHANGES TO CURRENT LAW AND CURRENT POLICY. THE
7 OFFICE MAY INCLUDE IN THE REPORT, AFTER CONSULTATION WITH THE
8 REQUESTING OFFICER, AN ASSESSMENT OF THE ACTUARIAL IMPACT.

9 (C) PLANS.--THE OFFICE SHALL ESTABLISH AND REVIEW PUBLIC
10 EMPLOYEE RETIREMENT PLANS FOR ACTUARIAL SOUNDNESS AND REPORT THE
11 RESULTS TO THE GOVERNOR AND THE GENERAL ASSEMBLY.

12 (D) WEBSITE.--THE OFFICE SHALL MAINTAIN THE FOLLOWING ON ITS
13 PUBLICLY ACCESSIBLE INTERNET WEBSITE IN A SEARCHABLE AREA:

14 (1) ALL ACTUARIAL NOTES ISSUED BY THE PUBLIC EMPLOYEE
15 RETIREMENT COMMISSION PRIOR TO THE EFFECTIVE DATE OF THIS
16 SECTION.

17 (2) ALL ACTUARIAL NOTES PREPARED PURSUANT TO SUBSECTION
18 (A) AND REPORTS UNDER SUBSECTION (B) ISSUED BY THE OFFICE,
19 WHICH SHALL BE POSTED AT THE TIME THEY ARE TRANSMITTED UNDER
20 SUBSECTION (A).

21 (3) ANY OTHER INFORMATION THAT IS REQUESTED TO BE POSTED
22 ON THE OFFICE'S PUBLICLY ACCESSIBLE INTERNET WEBSITE BY AN
23 OFFICER LISTED IN SUBSECTION (A).

24 (E) REIMBURSEMENT.--

25 (1) THE OFFICE SHALL REQUEST, AFTER EXPENDING ALL
26 APPROPRIATIONS FOR THE PERFORMANCE OF ITS DUTIES UNDER THIS
27 SECTION, A REIMBURSEMENT OF EXPENSES FROM THE ENTITY
28 REQUESTING THE PREPARATION OF MATERIALS UNDER THIS
29 SUBSECTION.

30 (2) A RESTRICTED ACCOUNT IS ESTABLISHED IN THE GENERAL

1 FUND THAT SHALL CONSIST OF REIMBURSEMENT PAYMENTS RECEIVED BY
2 THE OFFICE UNDER THIS PARAGRAPH. THE MONEY IN THE RESTRICTED
3 ACCOUNT IS APPROPRIATED ON A CONTINUING BASIS TO THE OFFICE
4 FOR THE PURPOSE OF THE PERFORMANCE OF ITS DUTIES UNDER THIS
5 ARTICLE, EXCEPT THAT THE MONEY IN THE RESTRICTED ACCOUNT MAY
6 NOT BE EXPENDED UNLESS THE OFFICE EXPENDS ALL OTHER
7 APPROPRIATIONS FOR THE PERFORMANCE OF ITS DUTIES UNDER THIS
8 SECTION.

9 (F) FORMULATION.--THE OFFICE SHALL STUDY GENERALLY THE
10 SUBJECT OF RETIREMENT, INCOME AFTER RETIREMENT, DISABILITY AND
11 DEATH BENEFITS AND THE RETIREMENT NEEDS OF PUBLIC EMPLOYEES. THE
12 OFFICE SHALL FORMULATE PRINCIPLES AND OBJECTIVES AND RECOMMEND
13 ANY NEW LEGISLATION IT DEEMS ADVISABLE AS REQUESTED BY AN
14 OFFICER LISTED IN SUBSECTION (A).

15 (G) STUDY.--THE OFFICE SHALL STUDY THE RELATIONSHIP OF
16 RETIREMENT AND PENSION POLICY TO OTHER ASPECTS OF PUBLIC
17 PERSONNEL POLICY AND TO THE EFFECTIVE OPERATION OF GOVERNMENT
18 GENERALLY, AS REQUESTED BY AN OFFICER LISTED IN SUBSECTION (A).
19 SECTION 616-B. ACTUARIAL NOTE REQUIRED FOR LEGISLATION.

20 (A) BILLS.--EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D)
21 (1), NO BILL PROPOSING ANY CHANGE RELATIVE TO A PUBLIC EMPLOYEE
22 PENSION OR RETIREMENT PLAN MAY BE GIVEN SECOND CONSIDERATION IN
23 EITHER HOUSE OF THE GENERAL ASSEMBLY UNTIL AN ACTUARIAL NOTE
24 PREPARED BY AN ENROLLED PENSION ACTUARY WHICH SHALL INCLUDE A
25 RELIABLE ESTIMATE OF THE COST AND ACTUARIAL EFFECT OF THE
26 PROPOSED CHANGE IN THE PENSION OR RETIREMENT SYSTEM HAS BEEN
27 ATTACHED TO THE BILL.

28 (B) AMENDMENTS.--EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION
29 (D) (2), NO AMENDMENT TO ANY BILL CONCERNING ANY PUBLIC EMPLOYEE
30 PENSION OR RETIREMENT PLAN MAY BE CONSIDERED BY EITHER HOUSE OF

1 THE GENERAL ASSEMBLY UNTIL AN ACTUARIAL NOTE PREPARED BY AN
2 ENROLLED PENSION ACTUARY HAS BEEN ATTACHED TO THE AMENDMENT.

3 (C) PROPOSED CONSTITUTIONAL AMENDMENTS.--

4 (1) THE OFFICE SHALL ISSUE AN ACTUARIAL NOTE, PREPARED
5 BY AN ENROLLED PENSION ACTUARY, FOR ANY JOINT RESOLUTION
6 PROPOSING AN AMENDMENT TO THE CONSTITUTION OF PENNSYLVANIA
7 WHICH INITIALLY PASSES EITHER HOUSE OF THE GENERAL ASSEMBLY.

8 (2) IF THE JOINT RESOLUTION IS SUBSEQUENTLY AMENDED AND
9 PASSES EITHER HOUSE OF THE GENERAL ASSEMBLY, A NEW ACTUARIAL
10 NOTE SHALL BE ISSUED BY THE OFFICE.

11 (D) EFFECT OF FAILURE TO ISSUE ACTUARIAL NOTE.--

12 (1) IF THE OFFICE FAILS TO ISSUE AN ACTUARIAL NOTE
13 WITHIN 20 LEGISLATIVE DAYS AFTER A BILL PROPOSING A CHANGE
14 RELATIVE TO A PUBLIC EMPLOYEE PENSION OR RETIREMENT PLAN HAS
15 RECEIVED FIRST CONSIDERATION IN EITHER HOUSE OF THE GENERAL
16 ASSEMBLY, THE BILL MAY BE FURTHER CONSIDERED IN THE SAME
17 MANNER AS IF THE ACTUARIAL NOTE HAD BEEN ISSUED AND ATTACHED
18 TO THE BILL.

19 (2) IF THE OFFICE FAILS TO ISSUE AN ACTUARIAL NOTE
20 WITHIN 20 LEGISLATIVE DAYS AFTER AN AMENDMENT TO A BILL
21 PROPOSING A CHANGE RELATIVE TO A PUBLIC EMPLOYEE PENSION OR
22 RETIREMENT PLAN HAS BEEN SUBMITTED TO THE OFFICE BY AN
23 OFFICER LISTED IN SECTION 615-B(A), THE AMENDMENT MAY BE
24 CONSIDERED IN THE SAME MANNER AS IF THE ACTUARIAL NOTE HAD
25 BEEN ISSUED AND ATTACHED TO THE AMENDMENT.

26 Section 3. The act is amended by adding sections to read:

27 Section 1004. Transferring Certain Powers and Duties
28 Relating to Municipal Pension Reporting and Analysis.--(a)
29 Notwithstanding any other provision of law, the powers and
30 duties of the Public Employee Retirement Commission under the

1 act of December 18, 1984 (P.L.1005, No.205), known as the
2 "Municipal Pension Plan Funding Standard and Recovery Act,"
3 shall be transferred to the Department of the Auditor General in
4 accordance with this section. The transferred duties shall be
5 independent of the Department of the Auditor General's existing
6 audit functions and shall be segregated in a departmental bureau
7 separate from the bureau that performs audit functions as of the
8 effective date of this section.

9 (b) Within thirty (30) days of the effective date of this
10 section, the Department of the Auditor General shall provide
11 notice of the transfer of powers and duties under this section
12 to all of the following:

13 (1) The Governor.

14 (2) The President pro tempore of the Senate.

15 (3) The Speaker of the House of Representatives.

16 (4) The Minority Leader of the Senate.

17 (5) The Minority Leader of the House of Representatives.

18 (6) The chair and minority chair of the Finance
19 Committee of the Senate.

20 (7) The chair and minority chair of the Finance
21 Committee of the House of Representatives.

22 (c) The following shall be transferred to the Department of
23 the Auditor General which are used or held in connection with
24 the powers and duties transferred under this section:

25 (1) All necessary personnel.

26 (2) Contractual obligations.

27 (3) Mortgages, liens, encumbrances and any other secured
28 interests, records, files, property, supplies and equipment.

29 (4) The unexpended balance of appropriations,
30 allocations and other funds available or to be made

1 available.

2 (d) The responsibility of municipalities to file and report
3 materials and to otherwise comply with the "Municipal Pension
4 Plan Funding Standard and Recovery Act" shall remain in effect
5 after the effective date of this section, except all filing and
6 reporting under the "Municipal Pension Plan Funding Standard and
7 Recovery Act" shall be made to the Department of the Auditor
8 General in the manner directed by the ~~department~~ DEPARTMENT OF <--
9 THE AUDITOR GENERAL. Within thirty (30) days of the effective
10 date of this section, the Auditor General shall submit to the
11 Legislative Reference Bureau for publication in the Pennsylvania
12 Bulletin, and shall post on the Department of the Auditor
13 General's publicly accessible Internet website, the manner of
14 preparing the filings and reports required by the "Municipal
15 Pension Plan Funding Standard and Recovery Act" and the method
16 of delivering and submitting those filings and reports to the
17 Department of the Auditor General.

18 (e) The Department of the Auditor General shall perform the
19 cost certification procedures pursuant to Chapter 5 of the
20 "Municipal Pension Plan Funding Standard and Recovery Act" and
21 shall transmit its calculation and determination to the Office
22 of the Budget for review and certification within ninety (90)
23 days. After performing its review and certification, the Office
24 of the Budget shall transmit its certification to the Department
25 of the Auditor General for the performance of any additional
26 functions that have been assigned to it under the "Municipal
27 Pension Plan Funding Standard and Recovery Act" in accordance
28 with this section by August 1 of each calendar year. The
29 Department of the Auditor General shall maintain and post the
30 reports required under the "Municipal Pension Plan Funding

1 Standard and Recovery Act" on its publicly accessible Internet
2 website.

3 (F) NO BOND OR NOTE ISSUED TO FUND AN UNFUNDED ACTUARIAL <--
4 ACCRUED LIABILITY MAY BE VALID OR OBLIGATORY IN THE HANDS OF AN
5 ORIGINAL PURCHASER UNTIL CERTIFIED COPIES OF THE ORDINANCE OR
6 ORDINANCES AUTHORIZING BONDS OR NOTES, THE ORDINANCE OR
7 RESOLUTION AWARDING THE BONDS OR NOTES AND THE CERTIFICATE OF
8 APPROVAL OF THE DEPARTMENT OF THE AUDITOR GENERAL HAVE BEEN
9 FILED WITH THE AUDITOR GENERAL. APPROVAL OF THE AUDITOR GENERAL
10 SHALL NOT BE REQUIRED.

11 Section 1005. Transfer of Certain Employes.--By October 1,
12 2016, or upon the duties in section 1004 being transferred,
13 whichever occurs first, the employes of the Public Employee
14 Retirement Commission are transferred to the Department of
15 Auditor General.

16 Section 4. The addition of Article VI-B of the act is a
17 continuation of 71 Pa.C.S. Ch. 41. The following apply:

18 (1) Except as otherwise provided in Article VI-B of the
19 act, all activities initiated under 71 Pa.C.S. Ch. 41 shall
20 continue and remain in full force and effect and may be
21 completed under Article VI-B of the act. Orders, regulations,
22 rules and decisions which were made under 71 Pa.C.S. Ch. 41
23 and which are in effect on the effective date of this section
24 shall remain in full force and effect until revoked, vacated
25 or modified under Article VI-B of the act. Contracts,
26 obligations and collective bargaining agreements entered into
27 under 71 Pa.C.S. Ch. 41 are not affected nor impaired by the
28 repeal of 71 Pa.C.S. Ch. 41.

29 (2) Any difference in language between Article VI-B of
30 the act and the 71 Pa.C.S. Ch. 41 is intended only to conform

1 to the style of the act and is not intended to change or
2 affect the legislative intent, judicial construction or
3 administration and implementation of 71 Pa.C.S. Ch. 41.

4 SECTION 5. EXCEPT AS PROVIDED UNDER ARTICLE VI-B OF THE ACT, <--
5 ANY REPORT REQUIRED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION
6 TO BE FILED WITH THE PUBLIC EMPLOYEE RETIREMENT COMMISSION
7 SHALL, ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, BE FILED
8 WITH THE AUDITOR GENERAL.

9 SECTION 6. THE INDEPENDENT FISCAL OFFICE MAY UTILIZE
10 EXISTING CONTRACTS FOR ACTUARIAL SERVICES OR MAY CONTRACT WITH
11 OTHER VENDORS FOR ACTUARIAL SERVICES APPROVED BY THE DEPARTMENT
12 OF GENERAL SERVICES. THE DEPARTMENT OF THE AUDITOR GENERAL SHALL
13 ASSIST IN TECHNICAL REVISIONS REQUIRED TO ANY EXISTING
14 CONTRACTS.

15 Section ~~5~~ 7. Repeals are as follows: <--

16 (1) The General Assembly declares that the ~~repeal~~ <--
17 REPEALS under ~~paragraph (2)~~ is PARAGRAPHS (2) AND (3) ARE <--
18 necessary to effectuate the addition of Article VI-B of the
19 act.

20 ~~(2) THE PROVISIONS OF 71 PA.C.S. CH. 41 ARE REPEALED.~~ <--

21 ~~(3)~~ (2) THE PROVISIONS OF 53 PA.C.S. § 8116 ARE <--
22 REPEALED.

23 (3) THE PROVISIONS OF 71 PA.C.S. CH. 41 ARE REPEALED. <--

24 ~~(3)~~ (4) The act of July 9, 1981 (P.L.208, No.66), known <--
25 as the Public Employee Retirement Commission Act, is repealed
26 insofar as it is inconsistent with this act.

27 Section ~~6~~ 8. This act shall take effect ~~immediately~~ JULY 1, <--
28 2016, OR IMMEDIATELY, WHICHEVER IS LATER.