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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 212 Session of  
2015

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INTRODUCED BY ROSS, HARPER, GINGRICH, FREEMAN AND M. DALEY,  
APRIL 6, 2015

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 6, 2015

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A CONCURRENT RESOLUTION

1 Establishing a task force to examine issues related to the  
2 management and funding of municipal retirement programs.

3 WHEREAS, To honor the service of police, fire and other  
4 municipal personnel now and in the years to come, municipal  
5 employees deserve retirement programs that are fiscally sound,  
6 secure and sustainable; and

7 WHEREAS, Pennsylvania municipalities have more than 3,000  
8 retirement programs, and 640 municipalities in this Commonwealth  
9 have distressed retirement programs of which 140 are moderately  
10 or severely distressed, as determined by the Public Employee  
11 Retirement Commission; and

12 WHEREAS, Throughout the deliberations of the Local Government  
13 Commission Act 47 Task Force during the 2013-2014 legislative  
14 session, retirement program liabilities were considered a major  
15 contributing factor to the fiscal instability of certain  
16 municipalities in this Commonwealth; and

17 WHEREAS, According to the December 2014 Status Report on  
18 Local Government Pension Plans issued by the Public Employee

1 Retirement Commission, the unfunded actuarial liability of local  
2 government retirement programs was approximately \$10 billion as  
3 of the date of the report; and

4 WHEREAS, Municipal retirement program reform is crucial to  
5 public safety and the health and stability of local communities;  
6 and

7 WHEREAS, Municipalities must consider the cost of public  
8 retirement programs together with the amount of revenue  
9 available to pay for the delivery of other municipal functions  
10 and services; and

11 WHEREAS, Unfunded retirement program liability adversely  
12 affects the credit-worthiness of the Commonwealth's  
13 municipalities in municipal bond markets; therefore be it

14 RESOLVED (the Senate concurring), That, due to the complexity  
15 of the issues relating to municipal retirement systems, the  
16 General Assembly appoint a task force to:

17 (1) Identify the problems and causes associated with  
18 unfunded municipal retirement program liability.

19 (2) Examine the management and funding of municipal  
20 retirement programs.

21 (3) Provide practical solutions to promote the solvency  
22 of municipal retirement programs;

23 and be it further

24 RESOLVED, That the task force be comprised of 28 members, as  
25 follows:

26 (1) Four representatives from the Local Government  
27 Commission, appointed by the chairman of the Local Government  
28 Commission; one from the majority caucus of the Senate; one  
29 from the minority caucus of the Senate; one from the majority  
30 caucus of the House of Representatives; and one from the

1 minority caucus of the House of Representatives, two of whom  
2 shall be designated by the chairman of the Local Government  
3 Commission as cochairpersons of the task force.

4 (2) Two members of the Local Government Committee of the  
5 Senate, one appointed by the chairman of the Local Government  
6 Committee of the Senate and one appointed by the minority  
7 chairman of the Local Government Committee of the Senate.

8 (3) Two members of the Urban Affairs and Housing  
9 Committee of the Senate, one appointed by the chairman of the  
10 Urban Affairs and Housing Committee of the Senate and one  
11 appointed by the minority chairman of the Urban Affairs and  
12 Housing Committee of the Senate.

13 (4) Two members of the Local Government Committee of the  
14 House of Representatives, one appointed by the chairman of  
15 the Local Government Committee of the House of  
16 Representatives and one appointed by the minority chairman of  
17 the Local Government Committee of the House of  
18 Representatives.

19 (5) Two members of the Urban Affairs Committee of the  
20 House of Representatives, one appointed by the chairman of  
21 the Urban Affairs Committee of the House of Representatives  
22 and one appointed by the minority chairman of the Urban  
23 Affairs Committee of the House of Representatives.

24 (6) Appointees of the Governor, one each from the  
25 following:

26 (i) The Public Employee Retirement Commission.

27 (ii) The Department of Community and Economic  
28 Development.

29 (7) One appointee from each of the following  
30 organizations, designated by the organization's president:

- 1           (i) The County Commissioners Association of  
2 Pennsylvania.
- 3           (ii) The Pennsylvania State Association of Township  
4 Supervisors.
- 5           (iii) The Pennsylvania State Association of Township  
6 Commissioners.
- 7           (iv) The Pennsylvania Municipal League.
- 8           (v) The Pennsylvania State Association of Boroughs.
- 9           (vi) The Fraternal Order of Police, Pennsylvania  
10 State Lodge.
- 11           (vii) The Pennsylvania Professional Fire Fighters  
12 Association.
- 13           (viii) American Federation of State, County and  
14 Municipal Employees.
- 15           (ix) The Pennsylvania Municipal Authorities  
16 Association.
- 17           (8) A representative from the Pennsylvania Municipal  
18 Retirement System appointed by the chairman of its board.
- 19           (9) A representative of the Coalition for Sustainable  
20 Communities.
- 21           (10) The Auditor General or a designee.
- 22           (11) The State Treasurer or a designee.
- 23           (12) An expert in public retirement finance and  
24 retirement asset management selected by the chairman of the  
25 Local Government Commission;

26 and be it further

27       RESOLVED, That the task force utilize the staff of the Local  
28 Government Commission in consultation with the Public Employee  
29 Retirement Commission and the Pennsylvania Municipal Retirement  
30 System, and with assistance from the staff of the Local

1 Government Committee of the Senate, the Urban Affairs and  
2 Housing Committee of the Senate, the Local Government Committee  
3 of the House of Representatives and the Urban Affairs Committee  
4 of the House of Representatives and the Legislative Reference  
5 Bureau; and be it further

6       RESOLVED, That the appointed task force members not be  
7 compensated, but may be reimbursed for necessary expenses from  
8 any appropriation made to the Local Government Commission as  
9 determined by the cochairpersons of the task force; and be it  
10 further

11       RESOLVED, That the task force submit a report with its  
12 findings and recommendations, including proposed legislative  
13 remedies, to the Local Government Committee of the Senate, the  
14 Urban Affairs and Housing Committee of the Senate, the Local  
15 Government Committee of the House of Representatives and the  
16 Urban Affairs Committee of the House of Representatives as soon  
17 as practical.