

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 212 Session of 2015

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

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 6, 2015

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

1 Local Government Pension Plans issued by the Public Employee
2 Retirement Commission, the unfunded actuarial liability of local
3 government retirement programs was approximately \$10 billion as
4 of the date of the report; and

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

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

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

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

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

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

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

24 and be it further

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

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

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

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

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

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

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

25 (6) ~~Appointees of the Governor, one each from the~~ <--
26 ~~following:~~

27 ~~(i) The Public Employee Retirement Commission.~~

28 ~~(ii) The ONE APPOINTEE OF THE GOVERNOR FROM THE~~ <--
29 Department of Community and Economic Development.

30 (7) One appointee from each of the following

1 organizations, designated by the organization's president:

2 (i) The County Commissioners Association of
3 Pennsylvania.

4 (ii) The Pennsylvania State Association of Township
5 Supervisors.

6 (iii) The Pennsylvania State Association of Township
7 Commissioners.

8 (iv) The Pennsylvania Municipal League.

9 (v) The Pennsylvania State Association of Boroughs.

10 (vi) The Fraternal Order of Police, Pennsylvania
11 State Lodge.

12 (vii) The Pennsylvania Professional Fire Fighters
13 Association.

14 (viii) American Federation of State, County and
15 Municipal Employees.

16 (ix) The Pennsylvania Municipal Authorities
17 Association.

18 (8) A representative from the Pennsylvania Municipal
19 Retirement System appointed by the chairman of its board.

20 (9) A representative of the Coalition for Sustainable
21 Communities.

22 (10) The Auditor General or a designee.

23 (11) The State Treasurer or a designee.

24 (12) THE CHAIRPERSON OF THE PUBLIC EMPLOYEE RETIREMENT <--
25 COMMISSION OR THE CHAIRPERSON'S DESIGNEE.

26 ~~(12)~~ (13) An expert in public retirement finance and <--
27 retirement asset management selected by the chairman of the
28 Local Government Commission;

29 and be it further

30 RESOLVED, That the task force utilize the staff of the Local

1 Government Commission in consultation with the Public Employee
2 Retirement Commission and the Pennsylvania Municipal Retirement
3 System, and with assistance from the staff of the Local
4 Government Committee of the Senate, the Urban Affairs and
5 Housing Committee of the Senate, the Local Government Committee
6 of the House of Representatives and the Urban Affairs Committee
7 of the House of Representatives and the Legislative Reference
8 Bureau; and be it further

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

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