

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**No. **1227** Session of  
2015

INTRODUCED BY BLAKE AND BROWNE, MAY 9, 2016

AS AMENDED ON THIRD CONSIDERATION, JUNE 6, 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 <--~~  
31 ~~as The Administrative Code of 1929, is amended by adding a~~

1 section to read:

2 ~~Section 310. Transferring Certain Powers and Duties Relating~~  
3 ~~to Public Pension System Analysis and Legislation. (a)~~  
4 ~~Notwithstanding any other provision of law, the Independent~~  
5 ~~Fiscal Office shall have the following additional duties as they~~  
6 ~~relate to any retirement pension plan or pension system~~  
7 ~~established by a municipality under any act or authority granted~~  
8 ~~by the General Assembly and any retirement or pension plan~~  
9 ~~established and administered pursuant to 24 Pa.C.S. Pt. IV~~  
10 ~~(relating to retirement for school employees) and 71 Pa.C.S. Pt.~~  
11 ~~XXV (relating to retirement for State employees and officers):~~

12 ~~(1) At the request of any officer listed in this clause, to~~  
13 ~~analyze the provisions of a bill relating to public employe~~  
14 ~~retirement or pension policy and issue a report on the bill in a~~  
15 ~~timely fashion. The report shall provide a synopsis of the bill~~  
16 ~~and financial cost and shall identify proposed changes to~~  
17 ~~current law and current policy. The report, after consultation~~  
18 ~~with the requesting officer, may include an assessment of the~~  
19 ~~actuarial impact and shall be submitted to the following:~~

20 ~~(i) The President pro tempore of the Senate and the Speaker~~  
21 ~~of the House of Representatives.~~

22 ~~(ii) The Majority Leader and the Minority Leader of the~~  
23 ~~Senate.~~

24 ~~(iii) The Majority Leader and the Minority Leader of the~~  
25 ~~House of Representatives.~~

26 ~~(iv) The chairperson and the minority chairperson of the~~  
27 ~~Appropriations Committee of the Senate.~~

28 ~~(v) The chairperson and the minority chairperson of the~~  
29 ~~Appropriations Committee of the House of Representatives.~~

30 ~~(2) To prepare actuarial notes in the form and manner~~

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

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

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

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

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

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

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

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

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

30 ~~(ii) All actuarial notes issued by the Independent Fiscal~~

1 ~~Office.~~

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

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

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

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

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

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

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

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

29 ~~(4) Any other independent pension or retirement plan for~~  
30 ~~public officers and employes of the Commonwealth.~~

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

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

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

7 SECTION 1. THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN <--  
8 AS THE ADMINISTRATIVE CODE OF 1929, IS AMENDED BY ADDING AN  
9 ARTICLE TO READ:

10 ARTICLE VI-B

11 INDEPENDENT FISCAL OFFICE

12 Section 601-B. Scope of article.

13 This article relates to independent fiscal estimates.

14 Section 602-B. Definitions.

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

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

20 The term includes:

21 (1) The Office of the Governor.

22 (2) The Office of Attorney General, the Department of  
23 the Auditor General and the Treasury Department.

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

26 (4) A State-affiliated entity as defined in 62 Pa.C.S. §  
27 103 (relating to definitions).

28 (5) The General Assembly.

29 (6) The Judiciary.

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

1 "Office." The Independent Fiscal Office established in  
2 section 603-B.

3 "PROPOSED COLLECTIVE BARGAINING AGREEMENT." THE TERMS OF <--  
4 BARGAINING BETWEEN A PUBLIC EMPLOYER AND AN EMPLOYEE  
5 ORGANIZATION WHICH:

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

8 (2) ARE:

9 (I) REDUCED TO WRITING.

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

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

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

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

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

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

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

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

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

1 "Selection and organization committee." The Independent  
2 Fiscal Office Selection and Organization Committee.  
3 Section 603-B. Office established.

4 There is established a nonpartisan Independent Fiscal Office  
5 as an independent agency.

6 Section 604-B. Duties of office.

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

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

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

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

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

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

1 (i) eliminate obsolete and unnecessary provisions;

2 (ii) expand the tax base as necessary;

3 (iii) ensure a competitive economic market in this  
4 Commonwealth; and

5 (iv) protect the stability of the Commonwealth's  
6 budget.

7 (6) Establish an Internet website.

8 (7) Study and analyze the impact of shared-risk  
9 contributions under 24 Pa.C.S. § 8321(b) (relating to regular  
10 member contributions for current service) and 71 Pa.C.S. §  
11 5501.1 (relating to shared-risk member contributions for  
12 Class A-3 and Class A-4 service).

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

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

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

1           (2) Provide an analysis of the executive budget,  
2 including budgetary projections, economic outlook and  
3 economic impact. The budget analysis may include performance  
4 recommendations to secure greater efficiency and economy.

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

11 Section 605-B. Revenue estimates.

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

15           (b) Official revenue estimate.--

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

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

1           (3) The office shall publish the methodology used to  
2           develop revenue estimates.

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

9           (d) Required information.--

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

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

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

17                   (iii) Any projected revenue surplus or deficit for  
18                   the current fiscal year.

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

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

1 assumptions. The information may be used to revise the revenue  
2 estimate under subsection (a).

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

6 (g) Governor.--The Governor shall certify that any  
7 appropriation bill does not cause total appropriations to exceed  
8 revenues plus any unappropriated surplus as provided in section  
9 618.

10 Section 606-B. Budget information.

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

14 Section 607-B. Expenditures.

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

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

24 (2) Itemized personnel vacancies and their cost.

25 (3) New positions created and their cost.

26 (4) Wage and overtime costs.

27 (5) Allotments and expenditures for itemized personnel  
28 expenses.

29 (6) Allotments and expenditures for itemized operating  
30 expenses.

1       (7) Allotments and expenditures for itemized fixed  
2       assets.

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

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

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

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

19       Section 608-B. Revenue conference.

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

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

29               (2) Current year-to-date revenue collections by specific  
30               tax or revenue source, including Federal funds, the General

1 Fund, the Lottery Fund and the Motor License Fund and  
2 variations that may be occurring in the revenue estimate  
3 submitted under section 605-B(a).

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

7 Section 609-B. Access to information.

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

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

28 (c) Computer database.--In order to carry out its duties  
29 under this article, the office shall have access to any  
30 computerized database of a State agency that is required to aid

1 the office in the performance of its duties, except that any  
2 statutory requirements regarding privacy of individuals' records  
3 shall be observed in providing access.

4 (d) Daily revenue data.--

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

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

14 (e) Tax information.--For the purposes of carrying out its  
15 official duties under section 605-B and notwithstanding any  
16 other law of this Commonwealth, the office shall be authorized  
17 to access any information in the possession of the Department of  
18 Revenue that is obtained from tax payments, returns or reports,  
19 including adjustments or corrections made by the department. The  
20 information accessed under this section shall be confidential  
21 except for official purposes and any person divulging the  
22 information shall be subject to section 731 of the act of April  
23 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

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

1 agency head to provide the information.

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

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

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

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

18 (II) WAGES AND SALARIES, BY FUND.

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

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

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

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

1 UNDER SECTION 604-B.

2 Section 610-B. Selection and organization committee.

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

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

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

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

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

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

20 (2) The operational budget for the office.

21 Section 611-B. Appointment.

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

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

1 director or a vacancy, act as the director.

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

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

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

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

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

21 Section 613-B. Records.

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

25 Section 614-B. Applicability.

26 To the extent that this article is inconsistent with section  
27 618, the provisions of this article shall apply.

28 SECTION 615-B. ADDITIONAL DUTIES.

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

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

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

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

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

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

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

27 (B) ANALYSIS.--AT THE REQUEST OF AN OFFICER LISTED IN  
28 SUBSECTION (A), THE OFFICE SHALL ANALYZE THE PROVISIONS OF A  
29 BILL RELATING TO PUBLIC EMPLOYEE RETIREMENT OR PENSION POLICY  
30 AND ISSUE A REPORT ON THE BILL IN A TIMELY FASHION. THE REPORT

1 SHALL PROVIDE A SYNOPSIS OF THE BILL AND FINANCIAL COST AND  
2 SHALL IDENTIFY PROPOSED CHANGES TO CURRENT LAW AND CURRENT  
3 POLICY. THE REPORT, AFTER CONSULTATION WITH THE REQUESTING  
4 OFFICER, MAY INCLUDE AN ASSESSMENT OF THE ACTUARIAL IMPACT AND  
5 SHALL BE SUBMITTED TO THE GOVERNOR AND THE OFFICERS LISTED IN  
6 SUBSECTION (A).

7 (C) PLANS.--ESTABLISH AND REVIEW PUBLIC EMPLOYEE RETIREMENT  
8 PLANS FOR ACTUARIAL SOUNDNESS AND REPORT THE RESULTS TO THE  
9 GOVERNOR AND THE GENERAL ASSEMBLY.

10 (D) WEBSITE.--MAINTAIN THE FOLLOWING ON ITS INTERNET WEBSITE  
11 IN A PUBLICLY ACCESSIBLE AND SEARCHABLE AREA:

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

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

19 (3) ANY OTHER INFORMATION THAT IS REQUESTED TO BE POSTED  
20 BY AN OFFICER LISTED IN SUBSECTION (A).

21 (E) REIMBURSEMENT.--THE OFFICE SHALL REQUEST, AFTER  
22 EXPENDING ALL APPROPRIATIONS FOR THE PERFORMANCE OF ITS DUTIES  
23 UNDER THIS SECTION, A REIMBURSEMENT OF EXPENSES FROM THE ENTITY  
24 REQUESTING THE PREPARATION OF MATERIALS UNDER THIS SUBSECTION. A  
25 RESTRICTED ACCOUNT IS ESTABLISHED IN THE GENERAL FUND WHICH  
26 SHALL CONSIST OF REIMBURSEMENT PAYMENTS RECEIVED BY THE OFFICE  
27 UNDER THIS PARAGRAPH. THE MONEY IN THE RESTRICTED ACCOUNT IS  
28 APPROPRIATED ON A CONTINUING BASIS TO THE OFFICE FOR THE PURPOSE  
29 OF THE PERFORMANCE OF ITS DUTIES UNDER THIS ACT, EXCEPT THAT THE  
30 MONEY IN THE RESTRICTED ACCOUNT MAY NOT BE EXPENDED UNLESS THE

1 OFFICE EXPENDS ALL OTHER APPROPRIATIONS FOR THE PERFORMANCE OF  
2 ITS DUTIES UNDER THIS SECTION.

3 (F) FORMULATION.--THE OFFICE SHALL STUDY GENERALLY THE  
4 SUBJECT OF RETIREMENT, INCOME AFTER RETIREMENT, DISABILITY AND  
5 DEATH BENEFITS AND THE RETIREMENT NEEDS OF PUBLIC EMPLOYEES. THE  
6 OFFICE SHALL FORMULATE PRINCIPLES AND OBJECTIVES AND RECOMMEND  
7 ANY NEW LEGISLATION IT DEEMS ADVISABLE AS REQUESTED BY AN  
8 OFFICER LISTED IN SUBSECTION (A).

9 (G) STUDY.--THE OFFICE SHALL STUDY THE RELATIONSHIP OF  
10 RETIREMENT AND PENSION POLICY TO OTHER ASPECTS OF PUBLIC  
11 PERSONNEL POLICY AND TO THE EFFECTIVE OPERATION OF GOVERNMENT  
12 GENERALLY, AS REQUESTED BY AN OFFICER LISTED IN SUBSECTION (A).

13 (H) NOTE REQUIRED FOR BILLS.--EXCEPT AS OTHERWISE PROVIDED  
14 IN SUBSECTION (K) (1), NO BILL PROPOSING ANY CHANGE RELATIVE TO A  
15 PUBLIC EMPLOYEE PENSION OR RETIREMENT PLAN MAY BE GIVEN SECOND  
16 CONSIDERATION IN EITHER HOUSE OF THE GENERAL ASSEMBLY, UNTIL THE  
17 OFFICE HAS ATTACHED AN ACTUARIAL NOTE PREPARED BY AN ENROLLED  
18 PENSION ACTUARY WHICH SHALL INCLUDE A RELIABLE ESTIMATE OF THE  
19 COST AND ACTUARIAL EFFECT OF THE PROPOSED CHANGE IN THE PENSION  
20 OR RETIREMENT SYSTEM.

21 (I) NOTE REQUIRED FOR AMENDMENTS.--EXCEPT AS OTHERWISE  
22 PROVIDED IN SUBSECTION (K) (2), NO AMENDMENT TO ANY BILL  
23 CONCERNING ANY PUBLIC EMPLOYEE PENSION OR RETIREMENT PLAN MAY BE  
24 CONSIDERED BY EITHER HOUSE OF THE GENERAL ASSEMBLY UNTIL AN  
25 ACTUARIAL NOTE PREPARED BY AN ENROLLED PENSION ACTUARY HAS BEEN  
26 ATTACHED.

27 (J) NOTES FOR PROPOSED CONSTITUTIONAL AMENDMENTS.--THE  
28 OFFICE SHALL ISSUE AN ACTUARIAL NOTE, PREPARED BY AN ENROLLED  
29 PENSION ACTUARY, FOR ANY JOINT RESOLUTION PROPOSING AN AMENDMENT  
30 TO THE CONSTITUTION OF PENNSYLVANIA WHICH INITIALLY PASSES

1 EITHER HOUSE OF THE GENERAL ASSEMBLY. IF THE JOINT RESOLUTION IS  
2 SUBSEQUENTLY AMENDED AND PASSES EITHER HOUSE OF THE GENERAL  
3 ASSEMBLY, A NEW ACTUARIAL NOTE SHALL BE PREPARED.

4 (K) EFFECT OF FAILURE OF OFFICE TO ATTACH NOTE.--

5 (1) IF THE OFFICE FAILS TO ATTACH AN ACTUARIAL NOTE  
6 WITHIN 20 LEGISLATIVE DAYS AFTER A BILL PROPOSING A CHANGE  
7 RELATIVE TO A PUBLIC EMPLOYEE PENSION OR RETIREMENT PLAN HAS  
8 RECEIVED FIRST CONSIDERATION IN EITHER HOUSE OF THE GENERAL  
9 ASSEMBLY, THE BILL MAY BE FURTHER CONSIDERED IN THE SAME  
10 MANNER AS IF THE ACTUARIAL NOTE HAD BEEN ATTACHED TO THE  
11 BILL.

12 (2) IF THE OFFICE FAILS TO ATTACH AN ACTUARIAL NOTE  
13 WITHIN 20 LEGISLATIVE DAYS AFTER AN AMENDMENT TO A BILL  
14 PROPOSING A CHANGE RELATIVE TO A PUBLIC EMPLOYEE PENSION OR  
15 RETIREMENT HAS BEEN SUBMITTED TO THE OFFICE BY AN OFFICER  
16 LISTED IN SUBSECTION (A), THE AMENDMENT MAY BE CONSIDERED IN  
17 THE SAME MANNER AS IF THE ACTUARIAL NOTE HAD BEEN ATTACHED TO  
18 THE AMENDMENT.

19 Section 3 2. The act is amended by adding sections to read: <--

20 Section 1004. Transferring Certain Powers and Duties  
21 Relating to Municipal Pension Reporting and Analysis.--(a)  
22 Notwithstanding any other provision of law, the powers and  
23 duties of the Public Employee Retirement Commission under the  
24 act of December 18, 1984 (P.L.1005, No.205), known as the  
25 "Municipal Pension Plan Funding Standard and Recovery Act,"  
26 shall be transferred to the Department of the Auditor General in  
27 accordance with this section. The transferred duties shall be  
28 independent of the Department of the Auditor General's existing  
29 audit functions and shall be segregated in a departmental bureau  
30 separate from the bureau that performs audit functions as of the

1 effective date of this section.

2 (b) Within thirty (30) days of the effective date of this  
3 section, the Department of the Auditor General shall provide  
4 notice of the transfer of powers and duties under this section  
5 to all of the following:

6 (1) The Governor.

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

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

9 (4) The Minority Leader of the Senate.

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

11 (6) The chair and minority chair of the Finance  
12 Committee of the Senate.

13 (7) The chair and minority chair of the Finance  
14 Committee of the House of Representatives.

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

18 (1) All necessary personnel.

19 (2) Contractual obligations.

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

22 (4) The unexpended balance of appropriations,  
23 allocations and other funds available or to be made  
24 available.

25 (d) The responsibility of municipalities to file and report  
26 materials and to otherwise comply with the "Municipal Pension  
27 Plan Funding Standard and Recovery Act" shall remain in effect  
28 after the effective date of this section, except all filing and  
29 reporting under the "Municipal Pension Plan Funding Standard and  
30 Recovery Act" shall be made to the Department of the Auditor

1 General in the manner directed by the department. Within thirty  
2 (30) days of the effective date of this section, the Auditor  
3 General shall submit to the Legislative Reference Bureau for  
4 publication in the Pennsylvania Bulletin, and shall post on the  
5 Department of the Auditor General's publicly accessible Internet  
6 website, the manner of preparing the filings and reports  
7 required by the "Municipal Pension Plan Funding Standard and  
8 Recovery Act" and the method of delivering and submitting those  
9 filings and reports to the Department of the Auditor General.

10 (e) The Department of the Auditor General shall perform the  
11 cost certification procedures pursuant to Chapter 5 of the <--  
12 "Municipal Pension Plan Funding Standard and Recovery Act" and  
13 shall transmit its calculation and determination to the Office  
14 of the Budget for review and certification within ninety (90)  
15 days. After performing its review and certification, the Office  
16 of the Budget shall transmit its certification to the Department  
17 of the Auditor General for the performance of any additional  
18 functions that have been assigned to it under the "Municipal  
19 Pension Plan Funding Standard and Recovery Act" in accordance  
20 with this section by August 1 of each calendar year. The  
21 Department of the Auditor General shall maintain and post the  
22 reports required under the "Municipal Pension Plan Funding  
23 Standard and Recovery Act" on its publicly accessible Internet  
24 website.

25 (F) NO BOND OR NOTE ISSUED TO FUND AN UNFUNDED ACTUARIAL <--  
26 ACCRUED LIABILITY MAY BE VALID OR OBLIGATORY IN THE HANDS OF AN  
27 ORIGINAL PURCHASER UNTIL CERTIFIED COPIES OF THE ORDINANCE OR  
28 ORDINANCES AUTHORIZING BONDS OR NOTES, THE ORDINANCE OR  
29 RESOLUTION AWARDING THE BONDS OR NOTES AND THE CERTIFICATE OF  
30 APPROVAL OF THE DEPARTMENT HAVE BEEN FILED WITH THE AUDITOR

1 GENERAL. APPROVAL OF THE AUDITOR GENERAL SHALL BE NOT BE  
2 REQUIRED.

3 Section 1005. Transfer of Certain Employes.--By October 1,  
4 2016, or upon the duties in section 1004 being transferred,  
5 whichever occurs first, the employes of the Public Employee  
6 Retirement Commission are transferred to the Department of  
7 Auditor General.

8 Section 4 3. The addition of Article VI-B of the act is a <--  
9 continuation of 71 Pa.C.S. Ch. 41. ~~The following apply:~~ <--

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

21 ~~(2) Any difference in language between Article VI B of~~ <--  
22 ~~the act and the 71 Pa.C.S. Ch. 41 is intended only to conform~~  
23 ~~to the style of the act and is not intended to change or~~  
24 ~~affect the legislative intent, judicial construction or~~  
25 ~~administration and implementation of 71 Pa.C.S. Ch. 41.~~

26 SECTION 4. THE FOLLOWING SHALL APPLY: <--

27 (1) EXCEPT AS PROVIDED UNDER ARTICLE VI-B OF THE ACT,  
28 ANY REPORT REQUIRED PRIOR TO THE EFFECTIVE DATE OF THIS  
29 SECTION TO BE FILED WITH THE PUBLIC EMPLOYEE RETIREMENT  
30 COMMISSION SHALL, ON AND AFTER THE EFFECTIVE DATE OF THIS

1 SECTION, BE FILED WITH THE AUDITOR GENERAL.

2 (2) THE INDEPENDENT FISCAL OFFICE MAY UTILIZE EXISTING  
3 CONTRACTS FOR ACTUARIAL SERVICES OR MAY CONTRACT WITH OTHER  
4 VENDORS FOR ACTUARIAL SERVICES APPROVED BY THE DEPARTMENT OF  
5 GENERAL SERVICES. THE DEPARTMENT SHALL ASSIST IN TECHNICAL  
6 REVISIONS REQUIRED TO ANY EXISTING CONTRACTS.

7 Section 5. Repeals are as follows:

8 (1) The General Assembly declares that the ~~repeal under~~ <--  
9 ~~paragraph (2) is~~ REPEALS UNDER PARAGRAPHS (2) AND (3) ARE <--  
10 necessary to effectuate the addition of Article VI-B of the  
11 act.

12 (2) The provisions of 71 Pa.C.S. Ch. 41 are repealed.

13 (3) THE PROVISIONS OF 53 PA.C.S. § 8116 ARE REPEALED. <--

14 ~~(3)~~ (4) The act of July 9, 1981 (P.L.208, No.66), known <--  
15 as the Public Employee Retirement Commission Act, is repealed  
16 insofar as it is inconsistent with this act.

17 ~~Section 6. This act shall take effect immediately.~~ <--

18 SECTION 6. THIS ACT SHALL TAKE EFFECT JULY 1, 2016, OR <--  
19 IMMEDIATELY, WHICHEVER IS LATER.