

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILLNo. **1227** Session of
2015

INTRODUCED BY BLAKE AND BROWNE, MAY 9, 2016

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, JUNE 27, 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 an
2 article to read:

3 ARTICLE VI-B

4 INDEPENDENT FISCAL OFFICE

5 Section 601-B. Scope of article.

6 This article relates to independent fiscal estimates.

7 Section 602-B. Definitions.

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

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

13 The term includes:

14 (1) The Office of the Governor.

15 (2) The Office of Attorney General, the Department of
16 the Auditor General and the Treasury Department.

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

19 (4) A State-affiliated entity as defined in 62 Pa.C.S. §
20 103 (relating to definitions).

21 (5) The General Assembly.

22 (6) The Judiciary.

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

24 "Office." The Independent Fiscal Office established in
25 section 603-B.

26 "Proposed collective bargaining agreement." The terms of
27 bargaining between a public employer and an employee
28 organization which:

29 (1) Apply to wages, hours, terms and conditions of
30 employment, benefits and working conditions.

1 (2) Are:

2 (i) Reduced to writing.

3 (ii) Agreed upon by designated representatives of
4 the public employer and the employee organization.

5 (iii) Submitted for acceptance as a contract to the
6 public employer and the public employee organization.

7 "Public employee retirement plan." Any of the following:

8 (1) The State Employees' Retirement System established
9 under 71 Pa.C.S. Pt. XXV (relating to retirement for State
10 employees and officers).

11 (2) The Public School Employees' Retirement System
12 established under 24 Pa.C.S. Pt. IV (relating to retirement
13 for school employees).

14 (3) The Pennsylvania Municipal Retirement System
15 established under the act of February 1, 1974 (P.L.34,
16 No.15), known as the Pennsylvania Municipal Retirement Law.

17 (4) Any other independent pension or retirement plan for
18 public officers and employees of the Commonwealth.

19 (5) Pension or retirement plans established under 11
20 Pa.C.S. Ch. 143 (relating to pensions).

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

24 "Selection and organization committee." The Independent
25 Fiscal Office Selection and Organization Committee.

26 Section 603-B. Office established.

27 There is established a nonpartisan Independent Fiscal Office
28 as an independent agency.

29 Section 604-B. Duties of office.

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

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

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

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

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

21 (5) Study and analyze the existing sales and use tax law
22 and propose recommendations to the Governor and the General
23 Assembly for amending the tax to:

24 (i) eliminate obsolete and unnecessary provisions;

25 (ii) expand the tax base as necessary;

26 (iii) ensure a competitive economic market in this
27 Commonwealth; and

28 (iv) protect the stability of the Commonwealth's
29 budget.

30 (6) Establish an Internet website.

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

6 (8) Provide a cost analysis for the current fiscal year
7 and remaining subsequent fiscal years of the impact of each
8 proposed collective bargaining agreement under the
9 jurisdiction of the Governor prior to execution, including
10 the costs to cover public employee wages, benefits, pensions
11 and working conditions that have been reduced in writing
12 under section 701 of the act of July 23, 1970 (P.L.563,
13 No.195), known as the Public Employe Relations Act.

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

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

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

28 (3) Provide an assessment of the Pennsylvania economy
29 and the national economy and the impact of the existing or
30 emerging State or national economic trends on revenue

1 performance for the current year and the forecasted or
2 projected revenue collections for the budget year and the
3 succeeding year.

4 Section 605-B. Revenue estimates.

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

8 (b) Official revenue estimate.--

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

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

24 (3) The office shall publish the methodology used to
25 develop revenue estimates.

26 (c) Information.--The office shall provide the chair and
27 minority chair of the Appropriations Committee of the Senate,
28 the chair and minority chair of the Appropriations Committee of
29 the House of Representatives and the Secretary of the Budget all
30 data, assumptions or econometric models used to develop

1 projections and revenue estimates.

2 (d) Required information.--

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

5 (i) Projected revenue collections by specific tax or
6 revenue source, including Federal funds, the General
7 Fund, the Lottery Fund and the Motor License Fund.

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

10 (iii) Any projected revenue surplus or deficit for
11 the current fiscal year.

12 (2) A revenue estimate shall be based on existing law
13 and tax policy and existing or emerging State or national
14 economic trends.

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

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

29 (g) Governor.--The Governor shall certify that any
30 appropriation bill does not cause total appropriations to exceed

1 revenues plus any unappropriated surplus as provided in section
2 618.

3 Section 606-B. Budget information.

4 The office shall be notified and shall attend any briefings
5 provided by the Governor or the Secretary of the Budget under
6 section 619.

7 Section 607-B. Expenditures.

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

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

17 (2) Itemized personnel vacancies and their cost.

18 (3) New positions created and their cost.

19 (4) Wage and overtime costs.

20 (5) Allotments and expenditures for itemized personnel
21 expenses.

22 (6) Allotments and expenditures for itemized operating
23 expenses.

24 (7) Allotments and expenditures for itemized fixed
25 assets.

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

28 (b) Revenue reports.--The Governor shall direct that monthly
29 revenue reports be submitted to the office. The revenue reports
30 shall show the actual collection of revenue itemized by source

1 and a comparison of the actual collections with estimated
2 collections for each month. The comparison shall include an
3 analysis of any change in collection patterns which will cause a
4 shortfall or overrun on annual estimates of more than 1%.

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

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

12 Section 608-B. Revenue conference.

13 By January 31 of each year, the office shall convene a
14 meeting with the Secretary of the Budget, the Secretary of
15 Revenue and the chair and minority chair of the Appropriations
16 Committee of the Senate and the chair and minority chair of the
17 Appropriations Committee of the House of Representatives to
18 discuss the following:

19 (1) The Pennsylvania economy and the national economy
20 and the impact of the economic trends on revenue performance
21 for the budget year and the succeeding year.

22 (2) Current year-to-date revenue collections by specific
23 tax or revenue source, including Federal funds, the General
24 Fund, the Lottery Fund and the Motor License Fund and
25 variations that may be occurring in the revenue estimate
26 submitted under section 605-B(a).

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

30 Section 609-B. Access to information.

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

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

21 (c) Computer database.--In order to carry out its duties
22 under this article, the office shall have access to any
23 computerized database of a State agency that is required to aid
24 the office in the performance of its duties, except that any
25 statutory requirements regarding privacy of individuals' records
26 shall be observed in providing access.

27 (d) Daily revenue data.--

28 (1) The Secretary of Revenue and the Secretary of the
29 Budget shall post revenue collection data for each deposit
30 day and make the information available to the office and the

1 chair and minority chair of the Appropriations Committee of
2 the Senate and the chair and minority chair of the
3 Appropriations Committee of the House of Representatives.

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

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

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

26 (g) Collective bargaining agreements.--The Office of
27 Administration and the Office of the Budget shall:

28 (1) Submit to the office at least 20 days, excluding
29 weekends and holidays, in advance of its execution, copies of
30 each proposed collective bargaining agreement under the

1 jurisdiction of the Governor.

2 (2) Concurrent with each submission under paragraph (1),
3 provide the office with a detailed cost analysis of the
4 proposed collective bargaining agreement. The analysis shall
5 compare the collective bargaining agreement in effect at the
6 time of submission to projections for the proposed collective
7 bargaining agreement for the current fiscal year and the
8 remaining subsequent fiscal years in the agreement. The
9 analysis shall include:

10 (i) The number of employees covered by the
11 agreement, by fund.

12 (ii) Wages and salaries, by fund.

13 (iii) Employer costs for employee benefits,
14 including pension contributions, by fund.

15 (iv) A summary of the changes to paid leave, working
16 hours, working conditions or any other term of employment
17 in the proposed collective bargaining agreement and the
18 projected cost of such changes, by fund.

19 (v) A statement explaining the data, assumptions and
20 methodology used to make the projections.

21 (3) Within four days, excluding weekends and holidays,
22 of a request by the director, provide the office with any in-
23 formation, data, statistics or analysis determined by the
24 director to be necessary to fulfill the office's obligations
25 under section 604-B.

26 Section 610-B. Selection and organization committee.

27 (a) Selection and organization committee.--The Independent
28 Fiscal Office Selection and Organization Committee is
29 established to organize the office and select the director of
30 the office. The selection and organization committee shall

1 consist of the following:

2 (1) The chair and minority chair of the Appropriations
3 Committee of the Senate and the chair and minority chair of
4 the Appropriations Committee of the House of Representatives.

5 (2) The Majority Leader and the Minority Leader of the
6 Senate and the Majority Leader and the Minority Leader of the
7 House of Representatives.

8 (3) The President pro tempore of the Senate and the
9 Speaker of the House of Representatives.

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

12 (1) The procedures to be adopted to select the director
13 of the office.

14 (2) The operational budget for the office.

15 Section 611-B. Appointment.

16 (a) Director.--The office shall be headed by a director
17 appointed by the selection and organization committee. The
18 appointment shall be made without regard to political
19 affiliation and solely on the basis of fitness to perform the
20 duties of the office based on qualifications published by the
21 selection and organization committee.

22 (b) Deputy director.--The director shall appoint a deputy
23 director who shall perform such duties as assigned by the
24 director and who shall, during the absence or incapacity of the
25 director or a vacancy, act as the director.

26 (c) Term.--The term of office of the director shall be six
27 years. An individual appointed as director to fill a vacancy
28 prior to the expiration of a term shall serve only for the
29 unexpired portion of that term. An individual serving as
30 director at the expiration of a term may continue to serve until

1 a successor is appointed.

2 (d) Removal.--The director may be removed by a concurrent
3 resolution passed by the Senate and the House of
4 Representatives.

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

6 (a) Personnel.--The director shall appoint and fix the
7 compensation of personnel as necessary to carry out the duties
8 and functions of the office. All personnel of the office shall
9 be appointed without regard to political affiliation and solely
10 on the basis of their fitness to perform their duties.

11 (b) Experts and consultants.--In carrying out the duties and
12 functions of the office, the director may procure the temporary
13 or intermittent services of attorneys, experts or consultants or
14 organization thereof by contract.

15 Section 613-B. Records.

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

19 Section 614-B. Applicability.

20 To the extent that this article is inconsistent with section
21 618, the provisions of this article shall apply.

22 Section 615-B. Additional duties.

23 (a) Actuarial notes.--The office shall prepare actuarial
24 notes by selecting an enrolled pension actuary to prepare an
25 actuarial note. Actuarial notes shall include a reliable
26 estimate of the financial and actuarial effect of the proposed
27 change in any pension or retirement system. The financial
28 analysis contained in actuarial notes for legislation that
29 proposes substantial benefit design changes under 24 Pa.C.S. Pt.
30 IV (relating to retirement for school employees) and 71 Pa.C.S.

1 Pt. XXV (relating to retirement for State employees and
2 officers) shall include, but not be limited to, a risk transfer
3 analysis. The actuarial note shall be factual, and shall, if
4 possible, provide a reliable estimate of both the immediate cost
5 and effect of the bill and, if determinable or reasonably
6 forseeable, the long-range actuarial cost and effect of the
7 bill. The office shall transmit actuarial notes to the Governor
8 and the officers listed in this subsection within the time
9 periods specified under this section upon the request of any of
10 the following:

11 (1) The President pro tempore of the Senate or the
12 Speaker of the House of Representatives.

13 (2) The Majority Leader or the Minority Leader of the
14 Senate.

15 (3) The Majority Leader or the Minority Leader of the
16 House of Representatives.

17 (4) The chairperson or minority chairperson of the
18 Appropriations Committee of the Senate.

19 (5) The chairperson or minority chairperson of the
20 Appropriations Committee of the House of Representatives.

21 (b) Analysis.--At the request of an officer listed in
22 subsection (a), the office shall analyze the provisions of a
23 bill relating to public employee retirement or pension policy
24 and issue a report on the bill in a timely fashion. The report
25 shall provide a synopsis of the bill and financial cost and
26 shall identify proposed changes to current law and current
27 policy. The report, after consultation with the requesting
28 officer, may include an assessment of the actuarial impact and
29 shall be submitted to the Governor and the officers listed in
30 subsection (a).

1 (c) Plans.--Establish and review public employee retirement
2 plans for actuarial soundness and report the results to the
3 Governor and the General Assembly.

4 (d) Website.--Maintain the following on its Internet website
5 in a publicly accessible and searchable area:

6 (1) All actuarial notes issued by the Public Employee
7 Retirement Commission prior to the effective date of this
8 section.

9 (2) All actuarial notes prepared pursuant to subsection
10 (a) and reports under subsection (b) issued by the office,
11 which shall be posted at the time they are transmitted under
12 subsection (a).

13 (3) Any other information that is requested to be posted
14 by an officer listed in subsection (a).

15 (e) Reimbursement.--The office shall request, after
16 expending all appropriations for the performance of its duties
17 under this section, a reimbursement of expenses from the entity
18 requesting the preparation of materials under this subsection. A
19 restricted account is established in the General Fund which
20 shall consist of reimbursement payments received by the office
21 under this paragraph. The money in the restricted account is
22 appropriated on a continuing basis to the office for the purpose
23 of the performance of its duties under this act, except that the
24 money in the restricted account may not be expended unless the
25 office expends all other appropriations for the performance of
26 its duties under this section.

27 (f) Formulation.--The office shall study generally the
28 subject of retirement, income after retirement, disability and
29 death benefits and the retirement needs of public employees. The
30 office shall formulate principles and objectives and recommend

1 any new legislation it deems advisable as requested by an
2 officer listed in subsection (a).

3 (g) Study.--The office shall study the relationship of
4 retirement and pension policy to other aspects of public
5 personnel policy and to the effective operation of government
6 generally, as requested by an officer listed in subsection (a).

7 (h) Note required for bills.--Except as otherwise provided
8 in subsection (k) (1), no bill proposing any change relative to a
9 public employee pension or retirement plan may be given second
10 consideration in either House of the General Assembly, until the
11 office has attached an actuarial note prepared by an enrolled
12 pension actuary which shall include a reliable estimate of the
13 cost and actuarial effect of the proposed change in the pension
14 or retirement system.

15 (i) Note required for amendments.--Except as otherwise
16 provided in subsection (k) (2), no amendment to any bill
17 concerning any public employee pension or retirement plan may be
18 considered by either House of the General Assembly until an
19 actuarial note prepared by an enrolled pension actuary has been
20 attached.

21 (j) Notes for proposed constitutional amendments.--The
22 office shall issue an actuarial note, prepared by an enrolled
23 pension actuary, for any joint resolution proposing an amendment
24 to the Constitution of Pennsylvania which initially passes
25 either House of the General Assembly. If the joint resolution is
26 subsequently amended and passes either House of the General
27 Assembly, a new actuarial note shall be prepared.

28 (k) Effect of failure of office to attach note.--

29 (1) If the office fails to attach an actuarial note
30 within 20 legislative days after a bill proposing a change

1 relative to a public employee pension or retirement plan has
2 received first consideration in either House of the General
3 Assembly, the bill may be further considered in the same
4 manner as if the actuarial note had been attached to the
5 bill.

6 (2) If the office fails to attach an actuarial note
7 within 20 legislative days after an amendment to a bill
8 proposing a change relative to a public employee pension or
9 retirement has been submitted to the office by an officer
10 listed in subsection (a), the amendment may be considered in
11 the same manner as if the actuarial note had been attached to
12 the amendment.

13 Section 2. The act is amended by adding sections to read:

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

26 (b) Within thirty (30) days of the effective date of this
27 section, the Department of the Auditor General shall provide
28 notice of the transfer of powers and duties under this section
29 to all of the following:

30 (1) The Governor.

- 1 (2) The President pro tempore of the Senate.
- 2 (3) The Speaker of the House of Representatives.
- 3 (4) The Minority Leader of the Senate.
- 4 (5) The Minority Leader of the House of Representatives.
- 5 (6) The chair and minority chair of the Finance
6 Committee of the Senate.
- 7 (7) The chair and minority chair of the Finance
8 Committee of the House of Representatives.

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

- 12 ~~(1) All necessary personnel.~~ <--
- 13 ~~(2) (1) Contractual obligations.~~ <--
- 14 ~~(3) (2) Mortgages, liens, encumbrances and any other~~ <--
15 secured interests, records, files, property, supplies and
16 equipment.
- 17 ~~(4) (3) The unexpended balance of appropriations,~~ <--
18 allocations and other funds available or to be made
19 available.

20 (d) The responsibility of municipalities to file and report
21 materials and to otherwise comply with the "Municipal Pension
22 Plan Funding Standard and Recovery Act" shall remain in effect
23 after the effective date of this section, except all filing and
24 reporting under the "Municipal Pension Plan Funding Standard and
25 Recovery Act" shall be made to the Department of the Auditor
26 General in the manner directed by the ~~department~~ DEPARTMENT OF <--
27 GENERAL SERVICES. Within thirty (30) days of the effective date
28 of this section, the Auditor General shall submit to the
29 Legislative Reference Bureau for publication in the Pennsylvania
30 Bulletin, and shall post on the Department of the Auditor

1 General's publicly accessible Internet website, the manner of
2 preparing the filings and reports required by the "Municipal
3 Pension Plan Funding Standard and Recovery Act" and the method
4 of delivering and submitting those filings and reports to the
5 Department of the Auditor General.

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

20 (f) No bond or note issued to fund an unfunded actuarial
21 accrued liability may be valid or obligatory in the hands of an
22 original purchaser until certified copies of the ordinance or
23 ordinances authorizing bonds or notes, the ordinance or
24 resolution awarding the bonds or notes and the certificate of
25 approval of the department have been filed with the Auditor
26 General. Approval of the Auditor General shall be not be
27 required.

28 Section 1005. Transfer of Certain Employees.--By October 1,
29 2016, or upon the duties in section 1004 being transferred,
30 whichever occurs first, the employes of the Public Employee

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1 Retirement Commission are transferred to the Department of
2 Auditor General.

3 Section 3. The addition of Article VI-B of the act is a
4 continuation of 71 Pa.C.S. Ch. 41.

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

16 Section 4. The following shall apply:

17 (1) Except as provided under Article VI-B of the act,
18 any report required prior to the effective date of ~~this~~ <--
19 ~~section~~ SECTION 1004 to be filed with the Public Employee <--
20 Retirement Commission shall, on and after the effective date
21 of ~~this section~~ SECTION 1004, be filed with the Auditor <--
22 General.

23 (2) The Independent Fiscal Office may utilize existing
24 contracts for actuarial services or may contract with other
25 vendors for actuarial services approved by the Department of
26 General Services. The department shall assist in technical
27 revisions required to any existing contracts.

28 Section 5. Repeals are as follows:

29 (1) The General Assembly declares that the repeals under
30 paragraphs (2) and (3) are necessary to effectuate the

1 addition of Article VI-B of the act.

2 ~~(2) The provisions of 71 Pa.C.S. Ch. 41 are repealed.~~ <--

3 ~~(3) The provisions of 53 Pa.C.S. § 8116 are repealed.~~

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

5 (3) THE PROVISIONS OF 71 PA.C.S. CH. 41 ARE REPEALED.

6 (4) The act of July 9, 1981 (P.L.208, No.66), known as
7 the Public Employee Retirement Commission Act, is repealed
8 insofar as it is inconsistent with this act.

9 Section 6. This act shall take effect ~~July 1, 2016, or~~ <--

10 ~~immediately, whichever is later.~~ AS FOLLOWS: <--

11 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT AUGUST 1,
12 2016:

13 (I) THE ADDITION OF SECTION 615-B OF THE ACT.

14 (II) THE ADDITION OF SECTION 1004 OF THE ACT.

15 (III) SECTION 4(1) OF THIS ACT.

16 (IV) SECTION 5(1), (2) AND (4) OF THIS ACT.

17 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,
18 2016, OR IMMEDIATELY, WHICHEVER IS LATER.