
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 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:

1 Section 1. The act of April 9, 1929 (P.L.177, No.175), known
2 as The Administrative Code of 1929, is amended by adding an
3 article to read:

4 ARTICLE VI-B

5 INDEPENDENT FISCAL OFFICE

6 Section 601-B. Scope of article.

7 This article relates to independent fiscal estimates.

8 Section 602-B. Definitions.

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

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

14 The term includes:

15 (1) The Office of the Governor.

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

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

20 (4) A State-affiliated entity as defined in 62 Pa.C.S. §
21 103 (relating to definitions).

22 (5) The General Assembly.

23 (6) The Judiciary.

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

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

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

30 (1) Apply to wages, hours, terms and conditions of

1 employment, benefits and working conditions.

2 (2) Are:

3 (i) Reduced to writing.

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

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

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

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

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

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

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

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

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

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

27 Section 603-B. Office established.

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

30 Section 604-B. Duties of office.

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

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

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

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

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

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

25 (i) eliminate obsolete and unnecessary provisions;

26 (ii) expand the tax base as necessary;

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

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

1 (6) Establish an Internet website.

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

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

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

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

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

29 (3) Provide an assessment of the Pennsylvania economy
30 and the national economy and the impact of the existing or

1 emerging State or national economic trends on revenue
2 performance for the current year and the forecasted or
3 projected revenue collections for the budget year and the
4 succeeding year.

5 Section 605-B. Revenue estimates.

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

9 (b) Official revenue estimate.--

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

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

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

27 (c) Information.--The office shall provide the chair and
28 minority chair of the Appropriations Committee of the Senate,
29 the chair and minority chair of the Appropriations Committee of
30 the House of Representatives and the Secretary of the Budget all

1 data, assumptions or econometric models used to develop
2 projections and revenue estimates.

3 (d) Required information.--

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

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

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

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

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

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

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

30 (g) Governor.--The Governor shall certify that any

1 appropriation bill does not cause total appropriations to exceed
2 revenues plus any unappropriated surplus as provided in section
3 618.

4 Section 606-B. Budget information.

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

8 Section 607-B. Expenditures.

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

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

18 (2) Itemized personnel vacancies and their cost.

19 (3) New positions created and their cost.

20 (4) Wage and overtime costs.

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

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

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

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

29 (b) Revenue reports.--The Governor shall direct that monthly
30 revenue reports be submitted to the office. The revenue reports

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

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

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

13 Section 608-B. Revenue conference.

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

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

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

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

1 Section 609-B. Access to information.

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

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

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

28 (d) Daily revenue data.--

29 (1) The Secretary of Revenue and the Secretary of the
30 Budget shall post revenue collection data for each deposit

1 day and make the information available to the office and the
2 chair and minority chair of the Appropriations Committee of
3 the Senate and the chair and minority chair of the
4 Appropriations Committee of the House of Representatives.

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

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

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

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

29 (1) Submit to the office at least 20 days, excluding
30 weekends and holidays, in advance of its execution, copies of

1 each proposed collective bargaining agreement under the
2 jurisdiction of the Governor.

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

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

13 (ii) Wages and salaries, by fund.

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

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

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

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

27 Section 610-B. Selection and organization committee.

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

1 the office. The selection and organization committee shall
2 consist of the following:

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

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

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

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

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

15 (2) The operational budget for the office.

16 Section 611-B. Appointment.

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

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

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

1 director at the expiration of a term may continue to serve until
2 a successor is appointed.

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

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

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

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

16 Section 613-B. Records.

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

20 Section 614-B. Applicability.

21 To the extent that this article is inconsistent with section
22 618, the provisions of this article shall apply.

23 Section 615-B. Additional duties.

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

1 IV (relating to retirement for school employees) and 71 Pa.C.S.
2 Pt. XXV (relating to retirement for State employees and
3 officers) shall include, but not be limited to, a risk transfer
4 analysis AND, IF REQUESTED BY AN OFFICER LISTED IN THIS ◀
5 SUBSECTION, AN ANALYSIS OF THE POTENTIAL IMPACT ON THE ASSET
6 ALLOCATION AND RELATED COSTS FOR THE SYSTEMS. The actuarial note
7 shall be factual, and shall, if possible, provide a reliable
8 estimate of both the immediate cost and effect of the bill and,
9 if determinable or reasonably foreseeable, the long-range
10 actuarial cost and effect of the bill. The office shall transmit
11 actuarial notes to the Governor and the officers listed in this
12 subsection within the time periods specified under this section
13 upon the request of any of the following:

14 (1) The President pro tempore of the Senate or the
15 Speaker of the House of Representatives.

16 (2) The Majority Leader or the Minority Leader of the
17 Senate.

18 (3) The Majority Leader or the Minority Leader of the
19 House of Representatives.

20 (4) The chairperson or minority chairperson of the
21 Appropriations Committee of the Senate.

22 (5) The chairperson or minority chairperson of the
23 Appropriations Committee of the House of Representatives.

24 (6) THE CHAIRPERSON OR MINORITY CHAIRPERSON OF THE ◀
25 STANDING COMMITTEE OF THE SENATE TO WHICH THE BILL IS
26 REFERRED.

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

30 (b) Analysis.--At the request of an officer listed in

1 subsection (a), the office shall analyze the provisions of a
2 bill relating to public employee retirement or pension policy
3 and issue a report on the bill in a timely fashion. The report
4 shall provide a synopsis of the bill and financial cost and
5 shall identify proposed changes to current law and current
6 policy. The report, after consultation with the requesting
7 officer, may include an assessment of the actuarial impact and
8 shall be submitted to the Governor and the officers listed in
9 subsection (a).

10 (c) Plans.--Establish and review public employee retirement
11 plans for actuarial soundness and report the results to the
12 Governor and the General Assembly.

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

15 (1) All actuarial notes issued by the Public Employee
16 Retirement Commission prior to the effective date of this
17 section.

18 (2) All actuarial notes prepared pursuant to subsection
19 (a) and reports under subsection (b) issued by the office,
20 which shall be posted at the time they are transmitted under
21 subsection (a).

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

24 (e) Reimbursement.--The office shall request, after
25 expending all appropriations for the performance of its duties
26 under this section, a reimbursement of expenses from the entity
27 requesting the preparation of materials under this subsection. A
28 restricted account is established in the General Fund which
29 shall consist of reimbursement payments received by the office
30 under this paragraph. The money in the restricted account is

1 appropriated on a continuing basis to the office for the purpose
2 of the performance of its duties under this act, except that the
3 money in the restricted account may not be expended unless the
4 office expends all other appropriations for the performance of
5 its duties under this section.

6 (f) Formulation.--The office shall study generally the
7 subject of retirement, income after retirement, disability and
8 death benefits and the retirement needs of public employees. The
9 office shall formulate principles and objectives and recommend
10 any new legislation it deems advisable as requested by an
11 officer listed in subsection (a).

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

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

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

30 (j) Notes for proposed constitutional amendments.--The

1 office shall issue an actuarial note, prepared by an enrolled
2 pension actuary, for any joint resolution proposing an amendment
3 to the Constitution of Pennsylvania which initially passes
4 either House of the General Assembly. If the joint resolution is
5 subsequently amended and passes either House of the General
6 Assembly, a new actuarial note shall be prepared.

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

8 (1) If the office fails to attach an actuarial note
9 within 20 legislative days after a bill proposing a change
10 relative to a public employee pension or retirement plan has
11 received first consideration in either House of the General
12 Assembly, the bill may be further considered in the same
13 manner as if the actuarial note had been attached to the
14 bill.

15 (2) If the office fails to attach an actuarial note
16 within 20 legislative days after an amendment to a bill
17 proposing a change relative to a public employee pension or
18 retirement has been submitted to the office by an officer
19 listed in subsection (a), the amendment may be considered in
20 the same manner as if the actuarial note had been attached to
21 the amendment.

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

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

1 independent of the Department of the Auditor General's existing
2 audit functions and shall be segregated in a departmental bureau
3 separate from the bureau that performs audit functions as of the
4 effective date of this section.

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

9 (1) The Governor.

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

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

12 (4) The Minority Leader of the Senate.

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

14 (6) The chair and minority chair of the Finance
15 Committee of the Senate.

16 (7) The chair and minority chair of the Finance
17 Committee of the House of Representatives.

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

21 ~~(1) All necessary personnel.~~ <--

22 ~~(2) (1) Contractual obligations.~~ <--

23 ~~(3) (2) Mortgages, liens, encumbrances and any other~~ <--
24 secured interests, records, files, property, supplies and
25 equipment.

26 ~~(4) (3) The unexpended balance of appropriations,~~ <--
27 allocations and other funds available or to be made
28 available.

29 (d) The responsibility of municipalities to file and report
30 materials and to otherwise comply with the "Municipal Pension

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

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

29 (f) No bond or note issued to fund an unfunded actuarial
30 accrued liability may be valid or obligatory in the hands of an

1 original purchaser until certified copies of the ordinance or
2 ordinances authorizing bonds or notes, the ordinance or
3 resolution awarding the bonds or notes and the certificate of
4 approval of the department have been filed with the Auditor
5 General. Approval of the Auditor General shall be not be
6 required.

7 Section 1005. Transfer of Certain Employees.--By October 1,
8 2016, or upon the duties in section 1004 being transferred, <--
9 whichever occurs first, the employes of the Public Employee
10 Retirement Commission are transferred to the Department of
11 Auditor General.

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

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

25 Section 4. The following shall apply:

26 (1) Except as provided under Article VI-B of the act,
27 any report required prior to the effective date of ~~this~~ <--
28 ~~section~~ SECTION 1004 to be filed with the Public Employee <--
29 Retirement Commission shall, on and after the effective date
30 of ~~this section~~ SECTION 1004, be filed with the Auditor <--

1 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 repeals under
9 paragraphs (2) and (3) are necessary to effectuate the
10 addition of Article VI-B of the act.

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

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

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

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

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

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

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

20 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT AUGUST 1,
21 2016:

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

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

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

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

26 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,
27 2016, OR IMMEDIATELY, WHICHEVER IS LATER.