

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 212 Session of 2015

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

AS AMENDED, HOUSE OF REPRESENTATIVES, JUNE 26, 2015

A CONCURRENT RESOLUTION

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

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

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

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

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

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

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

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

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

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

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

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

21 (3) Provide practical solutions to promote the solvency
22 of municipal retirement ~~programs~~; PROGRAMS. <--

23 (4) CONSIDER COLLECTIVE BARGAINING TO THE EXTENT THAT IT
24 MAY CONTRIBUTE TO THE DISTRESS OF SOME MUNICIPAL RETIREMENT
25 PROGRAMS;

26 and be it further

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

29 (1) Four representatives from the Local Government
30 Commission, appointed by the chairman of the Local Government

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

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

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

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

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

27 (6) One appointee of the Governor from the Department of
28 Community and Economic Development.

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

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

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

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

7 (iv) The Pennsylvania Municipal League.

8 (v) The Pennsylvania State Association of Boroughs.

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

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

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

15 (ix) The Pennsylvania Municipal Authorities
16 Association.

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

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

21 (10) The Auditor General or a designee.

22 (11) The State Treasurer or a designee.

23 (12) The chairperson of the Public Employee Retirement
24 Commission or the chairperson's designee.

25 (13) An expert in public retirement finance and
26 retirement asset management selected by the chairman of the
27 Local Government Commission;

28 and be it further

29 RESOLVED, That the task force utilize the staff of the Local
30 Government Commission in consultation with the Public Employee

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

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

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