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THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1227 Session of
2015

INTRODUCED BY BLAKE AND BROWNE, MAY 9, 2016

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 29, 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

1 hereby enacts as follows:

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

5 ARTICLE VI-B

6 INDEPENDENT FISCAL OFFICE

7 Section 601-B. Scope of article.

8 This article relates to independent fiscal estimates.

9 Section 602-B. Definitions.

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

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

15 The term includes:

16 (1) The Office of the Governor.

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

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

21 (4) A State-affiliated entity as defined in 62 Pa.C.S. §
22 103 (relating to definitions).

23 (5) The General Assembly.

24 (6) The Judiciary.

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

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

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

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

3 (2) Are:

4 (i) Reduced to writing.

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

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

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

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

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

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

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

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

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

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

28 Section 603-B. Office established.

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

1 Section 604-B. Duties of office.

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

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

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

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

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

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

26 (i) eliminate obsolete and unnecessary provisions;

27 (ii) expand the tax base as necessary;

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

30 (iv) protect the stability of the Commonwealth's

1 budget.

2 (6) Establish an Internet website.

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

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

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

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

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

30 (3) Provide an assessment of the Pennsylvania economy

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

6 Section 605-B. Revenue estimates.

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

10 (b) Official revenue estimate.--

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

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

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

28 (c) Information.--The office shall provide the chair and
29 minority chair of the Appropriations Committee of the Senate,
30 the chair and minority chair of the Appropriations Committee of

1 the House of Representatives and the Secretary of the Budget all
2 data, assumptions or econometric models used to develop
3 projections and revenue estimates.

4 (d) Required information.--

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

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

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

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

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

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

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

1 (g) Governor.--The Governor shall certify that any
2 appropriation bill does not cause total appropriations to exceed
3 revenues plus any unappropriated surplus as provided in section
4 618.

5 Section 606-B. Budget information.

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

9 Section 607-B. Expenditures.

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

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

19 (2) Itemized personnel vacancies and their cost.

20 (3) New positions created and their cost.

21 (4) Wage and overtime costs.

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

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

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

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

30 (b) Revenue reports.--The Governor shall direct that monthly

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

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

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

14 Section 608-B. Revenue conference.

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

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

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

29 (3) Any statutory or tax policy changes that may be
30 recommended by the Governor or the General Assembly for the

1 next succeeding fiscal year.

2 Section 609-B. Access to information.

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

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

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

29 (d) Daily revenue data.--

30 (1) The Secretary of Revenue and the Secretary of the

1 Budget shall post revenue collection data for each deposit
2 day and make the information available to the office and the
3 chair and minority chair of the Appropriations Committee of
4 the Senate and the chair and minority chair of the
5 Appropriations Committee of the House of Representatives.

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

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

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

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

30 (1) Submit to the office at least 20 days, excluding

1 weekends and holidays, in advance of its execution, copies of
2 each proposed collective bargaining agreement under the
3 jurisdiction of the Governor.

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

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

14 (ii) Wages and salaries, by fund.

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

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

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

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

28 Section 610-B. Selection and organization committee.

29 (a) Selection and organization committee.--The Independent
30 Fiscal Office Selection and Organization Committee is

1 established to organize the office and select the director of
2 the office. The selection and organization committee shall
3 consist of the following:

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

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

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

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

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

16 (2) The operational budget for the office.

17 Section 611-B. Appointment.

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

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

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

1 unexpired portion of that term. An individual serving as
2 director at the expiration of a term may continue to serve until
3 a successor is appointed.

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

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

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

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

17 Section 613-B. Records.

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

21 Section 614-B. Applicability.

22 To the extent that this article is inconsistent with section
23 618, the provisions of this article shall apply.

24 Section 615-B. Additional duties.

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

1 proposes substantial benefit design changes under 24 Pa.C.S. Pt.
2 IV (relating to retirement for school employees) and 71 Pa.C.S.
3 Pt. XXV (relating to retirement for State employees and
4 officers) shall include, but not be limited to, a risk transfer
5 analysis and, if requested by an officer listed in this
6 subsection, an analysis of the potential impact on the asset
7 allocation and related costs for the systems. The actuarial note
8 shall be factual, and shall, if possible, provide a reliable
9 estimate of both the immediate cost and effect of the bill and,
10 if determinable or reasonably foreseeable, the long-range
11 actuarial cost and effect of the bill. The office shall transmit
12 actuarial notes IN ELECTRONIC FORM to the Governor and the <--
13 officers listed in this subsection ALL MEMBERS OF THE GENERAL <--
14 ASSEMBLY within the time periods specified under this section
15 upon the request of any of the following:

16 (1) The President pro tempore of the Senate or the
17 Speaker of the House of Representatives.

18 (2) The Majority Leader or the Minority Leader of the
19 Senate.

20 (3) The Majority Leader or the Minority Leader of the
21 House of Representatives.

22 (4) The chairperson or minority chairperson of the
23 Appropriations Committee of the Senate.

24 (5) The chairperson or minority chairperson of the
25 Appropriations Committee of the House of Representatives.

26 (6) The chairperson or minority chairperson of the
27 standing committee of the Senate to which the bill is
28 referred.

29 (7) The chairperson or minority chairperson of the
30 standing committee of the House of Representatives to which

1 the bill is referred.

2 (b) Analysis.--At the request of an officer listed in
3 subsection (a), the office shall analyze the provisions of a
4 bill relating to public employee retirement or pension policy
5 and issue a report on the bill in a timely fashion. The report
6 shall provide a synopsis of the bill and financial cost and
7 shall identify proposed changes to current law and current
8 policy. The report, after consultation with the requesting
9 officer, may include an assessment of the actuarial impact and
10 shall be submitted IN ELECTRONIC FORM to the Governor and the <--
11 officers listed in subsection (a) ALL MEMBERS OF THE GENERAL <--
12 ASSEMBLY.

13 (c) Plans.--Establish and review public employee retirement
14 plans for actuarial soundness and report the results to the
15 Governor and the General Assembly.

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

18 (1) All actuarial notes issued by the Public Employee
19 Retirement Commission prior to the effective date of this
20 section.

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

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

27 (e) Reimbursement.--The office shall request, after
28 expending all appropriations for the performance of its duties
29 under this section, a reimbursement of expenses from the entity
30 requesting the preparation of materials under this subsection. A

1 restricted account is established in the General Fund which
2 shall consist of reimbursement payments received by the office
3 under this paragraph. The money in the restricted account is
4 appropriated on a continuing basis to the office for the purpose
5 of the performance of its duties under this act, except that the
6 money in the restricted account may not be expended unless the
7 office expends all other appropriations for the performance of
8 its duties under this section.

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

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

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

27 (i) Note required for amendments.--Except as otherwise
28 provided in subsection (k) (2), no amendment to any bill
29 concerning any public employee pension or retirement plan may be
30 considered by either House of the General Assembly until an

1 actuarial note prepared by an enrolled pension actuary has been
2 attached.

3 (j) Notes for proposed constitutional amendments.--The
4 office shall issue an actuarial note, prepared by an enrolled
5 pension actuary, for any joint resolution proposing an amendment
6 to the Constitution of Pennsylvania which initially passes
7 either House of the General Assembly. If the joint resolution is
8 subsequently amended and passes either House of the General
9 Assembly, a new actuarial note shall be prepared.

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

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

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

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

26 Section 1004. Transferring Certain Powers and Duties
27 Relating to Municipal Pension Reporting and Analysis.--(a)
28 Notwithstanding any other provision of law, the powers and
29 duties of the Public Employee Retirement Commission under the
30 act of December 18, 1984 (P.L.1005, No.205), known as the

1 "Municipal Pension Plan Funding Standard and Recovery Act,"
2 shall be transferred to the Department of the Auditor General in
3 accordance with this section. The transferred duties shall be
4 independent of the Department of the Auditor General's existing
5 audit functions and shall be segregated in a departmental bureau
6 separate from the bureau that performs audit functions as of the
7 effective date of this section.

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

12 (1) The Governor.

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

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

15 (4) The Minority Leader of the Senate.

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

17 (6) The chair and minority chair of the Finance
18 Committee of the Senate.

19 (7) The chair and minority chair of the Finance
20 Committee of the House of Representatives.

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

24 (1) Contractual obligations.

25 (2) Mortgages, liens, encumbrances and any other secured
26 interests, records, files, property, supplies and equipment.

27 (3) The unexpended balance of appropriations,
28 allocations and other funds available or to be made
29 available.

30 (d) The responsibility of municipalities to file and report

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

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

30 (f) No bond or note issued to fund an unfunded actuarial

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

8 Section 1005. Transfer of Certain Employees.--By October 1,
9 2016, the employees of the Public Employee Retirement Commission
10 are transferred to the Department of Auditor General.

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

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

24 Section 4. The following shall apply:

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

30 (2) The Independent Fiscal Office may utilize existing

1 contracts for actuarial services or may contract with other
2 vendors for actuarial services approved by the Department of
3 General Services. The department shall assist in technical
4 revisions required to any existing contracts.

5 Section 5. Repeals are as follows:

6 (1) The General Assembly declares that the repeals under
7 paragraphs (2) and (3) are necessary to effectuate the
8 addition of Article VI-B of the act.

9 (2) The provisions of 53 Pa.C.S. § 8116 are repealed.

10 (3) The provisions of 71 Pa.C.S. Ch. 41 are repealed.

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

14 Section 6. This act shall take effect as follows:

15 (1) The following provisions shall take effect August 1,
16 2016:

17 (i) The addition of section 615-B of the act.

18 (ii) The addition of section 1004 of the act.

19 (iii) Section 4(1) of this act.

20 (iv) Section 5(1), (2) and (4) of this act.

21 (2) The remainder of this act shall take effect July 1,
22 2016, or immediately, whichever is later.