



## INDEPENDENT FISCAL OFFICE

February 19, 2019

The Honorable Kevin J. Boyle, Chairman  
House State Government Committee  
Pennsylvania House of Representatives  
226 Irvis Office Building  
Harrisburg, PA 17120

Re: Requested Actuarial Note for House Bill 60, Printer's Number 64, Amendment A00083

Dear Representative Boyle:

I am writing in response to your request of February 19, 2019 concerning an actuarial note for House Bill 60, Printer's Number 64, as amended by Amendment A00083. The amendment would reinstate the current statutory guidelines of the State Employees' Retirement Code (71 Pa.C.S.) regarding employees of the Susquehanna River Basin Commission (SRBC) from the introduced bill. The amendment creates a new subparagraph that would require the Governor to certify in writing within 90 days of the effective date that ending benefits for these employees would likely lead to an increase in fees for businesses and communities in the counties under the jurisdiction of the SRBC. It would also require that the written certification note that the SRBC has modified internal policies in response to the Auditor General's November 2018 Performance Audit.

The SRBC was established by the Susquehanna River Basin Compact, which was signed into law in 1970. The compact was adopted by the U.S. Congress and the legislatures of New York, Pennsylvania and Maryland to manage the water resources of the Susquehanna River Basin. The headquarters of the SRBC are located in Harrisburg, PA, and a field office is located in Sayre, PA. Under 71 Pa.C.S. § 5102, employees of the SRBC are explicitly included under the definition of "state employee." According to SERS, there are currently 65 employees of the Susquehanna River Basin Commission who are active, contributing members of the system as of 2017.

Under section 615-B of the Administrative Code of 1929, the Independent Fiscal Office (IFO) has the responsibility to review legislative changes that may affect public employee pension or retirement plans and to provide actuarial notes for such legislation. The IFO has reviewed the provisions of House Bill 60, Printer's Number 64, as amended by Amendment A00083 and determined that because the legislation would affect only a small number of future members, the resulting actuarial cost impact upon SERS would be de minimis. Based on that determination, House Bill 60, Printer's Number 64, as amended by Amendment A00083 will

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not require an actuarial note prior to consideration by the General Assembly. The office reviewed the legislation for actuarial cost impact, but it has not reviewed its provisions for legal or policy implications.

I trust this letter adequately responds to your request. If I can provide further assistance, please feel free to contact me at (717) 230-8293.

Sincerely,



Matthew J. Knittel

Director, Independent Fiscal Office

cc: Governor Tom Wolf  
Members of the General Assembly