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The Democratic Leader



Senate of Pennsylvania

COMMITTEES

RULES AND EXECUTIVE NOMINATIONS,
MINORITY CHAIRMAN

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May 12, 2015

Mr. John T. Durbin, Chairman
613 North Street
Room 510 Finance Building
Harrisburg, PA 17120-0400

Chairman Durbin,

On behalf of the Senate Democratic caucus we are writing to express our grave concerns over the expedited process by which Senate Bill 1, the Senate Republican pension proposal, will be considered by the Senate this week. As a result of the expedited process outlined for the bill's consideration, we request your assistance in reforming the way the Senate of Pennsylvania considers public pension legislation – including, perhaps, changes in the manner in which the Public Employee Retirement Commission (PERC) board operates.

As you are well aware, legislation affecting public pension benefits is often complex and lengthy with the potential to significantly impact the finances of the Commonwealth and the retirement security of annuitants, current and future employees. There should be a period of time built into the process which allows public inspection, comment and reaction. The PERC board should not be compliant in any rushed process that is designed to score political points. It should be a bulwark against expedited action and hasty decision-making.

Pension legislation requires detailed legal and actuarial analysis to ensure public officials are able to make informed judgments about its contents and the public policy contained therein. Most importantly, because it is the taxpayers who will pay for mistakes made, the legislation deserves a full public vetting in an open and transparent manner. Ample time for input and comment from interested parties, including taxpayers, is not a luxury it is a necessity.

The proposed Senate Bill 1 process is anything but "open and transparent." Senate Republicans have identified public pension reform as their number one legislative priority for the 2015-16 legislative session. For months they worked behind closed doors to craft their plan in secret. The result:

- 410 page bill that first appeared in print publicly on Friday, May 8, at approximately 4:30 p.m.;
- A Senate Finance Committee meeting for noon on Monday, May 11, even though the bill was only officially referred to the committee that morning;

- PERC meeting scheduled for Tuesday, May 12 to supply a statutorily required actuarial note, which may or not be a thorough and complete analysis of the bill;
- Senate Appropriations Committee meeting scheduled for that same day to report the bill from committee;
- A projected vote on final passage for Wednesday, May 13.

Taking at least five months to craft the bill and then providing the public with less than 72 hours to analyze and comment on it is absurd. Even amendments to the bill are essentially prohibited as any amendment would require a PERC actuarial note which the commission would not have time to complete in a responsible manner.

It is against this background that we write to you today: As you know, Section 6(a) (12) of the Public Employee Retirement Commission Act, PERC is authorized to recommend to the General Assembly a change in the process by which public employee pension and retirement legislation is analyzed and acted upon by the Legislature. We are respectfully requesting that PERC use the authority to provide recommendations to the General Assembly relating to its consideration of public pension legislation.

As noted in the PERC Act, public employee retirement policy is of vital interest to the executive and legislative branches of government. However, it is also of vital interest to countless other Pennsylvanians – including those whose retirement security may be impacted by such policy.

The process undertaken by Senate Republicans relating to Senate Bill 1 represents all that is wrong with the political process in Harrisburg and it is exactly why taxpayers have grown distrustful of the legislature. Ramming a complex and illegal 410-page bill through the Senate within 72 hours after introduction, without an opportunity for public comment or meaningful debate is an insult to ALL Pennsylvanians.

As the commission charged with overseeing public pension policy in Pennsylvania, we ask you to make recommendations that create a fair, open and transparent process governing consideration of future pension legislation. The taxpayers of Pennsylvania deserve better than the process Senate Republicans have put in motion with Senate Bill 1.

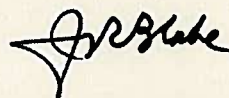
We look forward to your response.



Senator Vincent Hughes
7th District



Senator Jay Costa
43rd District



Senator John Blake
22nd District