

No. 2016-100

AN ACT

SB 1227

Amending the act of April 9, 1929 (P.L.177, No.175), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; providing for the regulation of pari-mutuel thoroughbred horse racing and harness horse racing activities, imposing certain taxes and providing for the disposition of funds from pari-mutuel tickets; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined," in organization of independent administrative boards and commissions, transferring certain powers and duties relating to public pension system analysis and legislation; providing for the Independent Fiscal Office; in powers and duties of the Department of the Auditor General, transferring certain powers and duties relating to municipal pension reporting and analysis; and making related repeals.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

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

**ARTICLE VI-B
INDEPENDENT FISCAL OFFICE**

Section 601-B. Scope of article.

This article relates to independent fiscal estimates.

Section 602-B. Definitions.

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

"Commonwealth agency." Any office, department, authority, board, multistate agency or commission of the executive branch. The term includes:

- (1) The Office of the Governor.*
- (2) The Office of Attorney General, the Department of the Auditor General and the Treasury Department.*

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

(4) *A State-affiliated entity as defined in 62 Pa.C.S. § 103.*

(5) *The General Assembly.*

(6) *The Judiciary.*

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

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

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

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

(2) *Are:*

(i) *Reduced to writing.*

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

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

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

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

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

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

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

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

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

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

Section 603-B. Office established.

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

Section 604-B. Duties of office.

(a) *Mandatory.—The office shall:*

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

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

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

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

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

(i) eliminate obsolete and unnecessary provisions;

(ii) expand the tax base as necessary;

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

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

(6) Establish an Internet website.

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

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

(b) Discretionary.—The office may:

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

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

(3) Provide an assessment of the Pennsylvania economy and the national economy and the impact of the existing or emerging State or national economic trends on revenue performance for the current year and the forecasted or projected revenue collections for the budget year and the succeeding year.

Section 605-B. Revenue estimates.

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

(b) *Official revenue estimate.*—

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

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

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

(c) *Information.*—The office shall provide the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the Appropriations Committee of the House of Representatives and the Secretary of the Budget all data, assumptions or econometric models used to develop projections and revenue estimates.

(d) *Required information.*—

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

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

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

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

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

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

(f) *Department of Revenue.*—The Department of Revenue in conjunction with the Secretary of the Budget shall make revenue estimates for the use of the Governor in preparing the budget.

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

Section 606-B. Budget information.

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

Section 607-B. Expenditures.

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

- (1) Number of filled personnel positions and their cost.*
- (2) Itemized personnel vacancies and their cost.*
- (3) New positions created and their cost.*
- (4) Wage and overtime costs.*
- (5) Allotments and expenditures for itemized personnel expenses.*
- (6) Allotments and expenditures for itemized operating expenses.*
- (7) Allotments and expenditures for itemized fixed assets.*
- (8) The rate of expenditures in appropriations for major subsidy and grant programs during the month.*

(b) Revenue reports.—The Governor shall direct that monthly revenue reports be submitted to the office. The revenue reports shall show the actual collection of revenue itemized by source and a comparison of the actual collections with estimated collections for each month. The comparison shall include an analysis of any change in collection patterns which will cause a shortfall or overrun on annual estimates of more than 1%.

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

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

Section 608-B. Revenue conference.

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

- (1) The Pennsylvania economy and the national economy and the impact of the economic trends on revenue performance for the budget year and the succeeding year.*
- (2) Current year-to-date revenue collections by specific tax or revenue source, including Federal funds, the General Fund, the State*

Lottery Fund and the Motor License Fund and variations that may be occurring in the revenue estimate submitted under section 605-B(a).

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

Section 609-B. Access to information.

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

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

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

(d) Daily revenue data.—

(1) The Secretary of Revenue and the Secretary of the Budget shall post revenue collection data for each deposit day and make the information available to the office and the chair and minority chair of the Appropriations Committee of the Senate and the chair and minority chair of the Appropriations Committee of the House of Representatives.

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

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

(f) Civil action.—If information is not made available by a Commonwealth agency or political subdivision within a reasonable time, the director may make a written request to the agency head stating the

authority to receive the information. The agency head shall have 15 days to respond. If the information is not provided within 15 days of the receipt of the director's request, the director may bring a civil action to require the agency head to provide the information.

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

(1) Submit to the office at least 20 days, excluding weekends and holidays, in advance of its execution, copies of each proposed collective bargaining agreement under the jurisdiction of the Governor.

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

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

(ii) Wages and salaries, by fund.

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

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

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

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

Section 610-B. Selection and organization committee.

(a) Selection and organization committee.—The Independent Fiscal Office Selection and Organization Committee is established to organize the office and select the director of the office. The selection and organization committee shall consist of the following:

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

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

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

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

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

(2) The operational budget for the office.

Section 611-B. Appointment.

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

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

(c) Term.—The term of office of the director shall be six years. An individual appointed as director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as director at the expiration of a term may continue to serve until a successor is appointed.

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

Section 612-B. Powers and duties of director.

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

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

Section 613-B. Records.

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

Section 614-B. Applicability.

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

Section 615-B. Additional duties.

(a) Actuarial notes.—The office shall prepare actuarial notes by selecting an enrolled pension actuary to prepare an actuarial note. Actuarial notes shall include a reliable estimate of the financial and actuarial effect of the proposed change in any pension or retirement system. The financial analysis contained in actuarial notes for legislation that proposes substantial benefit design changes under 24 Pa.C.S. Pt. IV (relating to retirement for school employees) and 71 Pa.C.S. Pt. XXV (relating to retirement for State employees and officers) shall include, but not be limited to, a risk transfer analysis and, if requested by an officer listed in this subsection, an analysis of the potential impact on the asset allocation and related costs for the systems. The actuarial note shall be factual, and shall, if possible, provide a reliable estimate of both the immediate cost and effect of the bill and, if determinable or reasonably foreseeable, the long-range actuarial cost and effect of the bill. The office shall transmit actuarial notes in electronic form to the Governor and all members of the General Assembly within the time periods specified under this section upon the request of any of the following:

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

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

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

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

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

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

(7) The chairperson or minority chairperson of the standing committee of the House of Representatives to which the bill is referred.

(b) Analysis.—At the request of an officer listed in subsection (a), the office shall analyze the provisions of a bill relating to public employee retirement or pension policy and issue a report on the bill in a timely fashion. The report shall provide a synopsis of the bill and financial cost and shall identify proposed changes to current law and current policy. The report, after consultation with the requesting officer, may include an assessment of the actuarial impact and shall be submitted in electronic form to the Governor and all members of the General Assembly.

(c) Plans.—The office shall establish and review public employee retirement plans for actuarial soundness and report the results to the Governor and the General Assembly.

(d) Website.—The office shall maintain the following on its Internet website in a publicly accessible and searchable area:

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

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

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

(e) Reimbursement.—The office shall request, after expending all appropriations for the performance of its duties under this section, a reimbursement of expenses from the entity requesting the preparation of materials under this subsection. A restricted account is established in the General Fund which shall consist of reimbursement payments received by the office under this paragraph. The money in the restricted account is appropriated on a continuing basis to the office for the purpose of the performance of its duties under this act, except that the money in the restricted account may not be expended unless the office expends all other appropriations for the performance of its duties under this section.

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

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

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

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

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

(k) Effect of failure of office to attach note.—

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

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

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

Section 1004. Transferring Certain Powers and Duties Relating to Municipal Pension Reporting and Analysis.—*(a) Notwithstanding any other provision of law, the powers and duties of the Public Employee Retirement Commission under the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act," shall be transferred to the Department of the Auditor General in accordance with this section. The transferred duties shall be independent of the Department of the Auditor General's existing audit functions and shall be segregated in a departmental bureau separate from the bureau that performs audit functions as of the effective date of this section.*

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

- (1) *The Governor.*
- (2) *The President pro tempore of the Senate.*
- (3) *The Speaker of the House of Representatives.*
- (4) *The Minority Leader of the Senate.*
- (5) *The Minority Leader of the House of Representatives.*
- (6) *The chair and minority chair of the Finance Committee of the Senate.*
- (7) *The chair and minority chair of the Finance Committee of the House of Representatives.*

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

(1) *Contractual obligations.*

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

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

(d) *The responsibility of municipalities to file and report materials and to otherwise comply with the "Municipal Pension Plan Funding Standard and Recovery Act" shall remain in effect after the effective date of this section, except all filing and reporting under the "Municipal Pension Plan Funding Standard and Recovery Act" shall be made to the Department of the Auditor General in the manner directed by the Department of General Services. Within thirty (30) days of the effective date of this section, the Auditor General shall submit to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin, and shall post on the Department of the Auditor General's publicly accessible Internet website, the manner of preparing the filings and reports required by the "Municipal Pension Plan Funding Standard and Recovery Act" and the method of delivering and submitting those filings and reports to the Department of the Auditor General.*

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

(f) *No bond or note issued to fund an unfunded actuarial accrued liability may be valid or obligatory in the hands of an original purchaser until certified copies of the ordinance or ordinances authorizing bonds or notes, the ordinance or resolution awarding the bonds or notes and the*

certificate of approval of the department have been filed with the Auditor General. Approval of the Auditor General shall be not be required.

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

Section 3. The addition of Article VI-B of the act is a continuation of 71 Pa.C.S. Ch. 41. Except as otherwise provided in Article VI-B of the act, all activities initiated under 71 Pa.C.S. Ch. 41 shall continue and remain in full force and effect and may be completed under Article VI-B of the act. Orders, regulations, rules and decisions which were made under 71 Pa.C.S. Ch. 41 and which are in effect on the effective date of this section shall remain in full force and effect until revoked, vacated or modified under Article VI-B of the act. Contracts, obligations and collective bargaining agreements entered into under 71 Pa.C.S. Ch. 41 are not affected nor impaired by the repeal of 71 Pa.C.S. Ch. 41.

Section 4. The following shall apply:

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

(2) The Independent Fiscal Office may utilize existing contracts for actuarial services or may contract with other vendors for actuarial services approved by the Department of General Services. The department shall assist in technical revisions required to any existing contracts.

Section 5. Repeals are as follows:

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

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

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

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

Section 6. This act shall take effect as follows:

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

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

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

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

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

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

APPROVED—The 20th day of July, A.D. 2016

TOM WOLF