

PSBA

To: Members of the Pennsylvania House of Representatives

From: John M. Callahan, Assistant Executive Director

Date: June 5, 2017

Re: Senate Bill 1 P.N. 902

The Pennsylvania School Boards Association, representing 4,500 locally elected members emphasizes the need for comprehensive pension reform, and is supportive of efforts in the House and Senate to move a five-party agreement forward in a meaningful way through the consideration of Senate Bill 1. There are two components of pension reform, short term and long term changes. Senate Bill 1 represents the needed long term reform and stability our School Districts have been calling for and need.

We are proud of the performance of Pennsylvania public schools. Our students rank in or near the top 10 in national reading and math assessments, and our districts are some of the best in the country. School districts need pension cost reduction and a pension system that is built for this century in order to manage their costs and continue to provide the best education possible for our students. The intent of Senate Bill 1 is to place our future employee's retirement system on a viable path that will reduce investment risk by 53% or \$15.5 billion over time. This plan protects taxpayers from jarring tax increases and/or draconian program cuts. Senate bill 1 ensures that our schools will have a retirement plan that is both competitive and sustainable.

Over the past three sessions we have struggled to find reform that works – arguments have placed the many competing interests of the school employees, employers, taxpayers, children and school budgets at odds with each other. Senate Bill 1 cuts through this cacophony of voices and provides a strong foundation we can build from. This is a significant step toward systemic long term reform that will ensure a future of sustainability for the pension system.

I appreciate your time and attention to these matters. If you have any questions or concerns, please feel free to contact me a (717) 506-2450 x3337.