



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2450

PRINTER'S NO. 3401

PRIME SPONSOR: Webster

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See fiscal impact	See fiscal impact

SUMMARY:

House Bill 2450 relates to membership eligibility in the Public School Employees' Retirement System (PSERS).

ANALYSIS:

House Bill 2450 amends Title 24 (Education) of the Consolidated Statutes, Chapter 81 (preliminary provisions) regarding retirement for school employees. The definition of the term "governmental entity" is changed to exclude an association authorized to receive membership dues from a public school entity under section 516 of the Public School Code (Article V relates to Duties and Powers of Boards of School Directors). The bill clarifies that the change to the definition only applies to association employees hired after the effective date of the legislation, and that any such association shall not be considered a nonparticipating employer under section 8327.1 of the Public School Code.

House Bill 2450 would take effect immediately.

FISCAL IMPACT:

House Bill 2450 would have a de minimis impact on commonwealth funds. The Pennsylvania School Boards Association (PSBA) is the preeminent school director membership organization in the commonwealth, and according to a June 2024 analysis by the Independent Fiscal Office (IFO), PSBA employs 53 active PSERS members, which is about .02% of all active PSERS employees. This bill stipulates that the association shall not be considered a nonparticipating employer, which means the estimated \$5.3 million withdrawal liability that may otherwise have been charged to PSBA will instead be spread across other employers in the system. The 2024/25 state appropriation for the commonwealth's share of the PSERS' obligation is \$3.09 billion.

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House Appropriations Committee (D)

DATE: October 1, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.