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SENATE JOINT RESOLUTION NO. 325

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Establishing a joint subcommittee to study unfunded liabilities of the Commonwealth. Report.

Patrons—Stosch, Bell, Blevins, Chichester, Devolites Davis, Norment, Quayle, Wampler and Watkins

Referred to Committee on Rules

WHEREAS, the Commonwealth has an estimated \$5 billion in unfunded liabilities; and

WHEREAS, a large portion of the liabilities are a result of funding pensions and other post-employment benefits at a lower rate than required per the actuary and Federal Reimbursement Anticipation Notes (FRANs) debt; and

WHEREAS, unfunded risk management, unfunded maintenance, tax overwithholding, and underfunding of the Virginia Prepaid Tuition Plan also contribute to off-balance sheet liabilities ; and

WHEREAS, these liabilities impact the long-term fiscal health of the Commonwealth; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the unfunded liabilities of the Commonwealth. The joint subcommittee shall have a total membership of 15 members that shall consist of 12 legislative members, and three ex officio members. Members shall be appointed as follows: five members of the Senate to be appointed by the Senate Committee on Rules; seven members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; the Secretary of Finance, the Director of the Virginia Retirement System, and the Auditor of Public Accounts, or their designees, shall serve ex officio with nonvoting privileges. The joint subcommittee shall elect a chairman and vice chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall identify the unfunded liabilities currently facing the Commonwealth. The joint subcommittee shall also identify and estimate unfunded liabilities likely to accrue in the near future. In reviewing these liabilities, the joint subcommittee shall make recommendations as to how these needs may be met in order to ensure the continued fiscal integrity of the Commonwealth.

Administrative staff support shall be provided by the Office of the Clerk of the Senate. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2005 interim and four meetings for the 2006 interim, and the direct costs of this study shall not exceed \$ 12,000 for each year without approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

No recommendation of the joint subcommittee shall be adopted if a majority of the Senate members or a majority of the House members appointed to the joint subcommittee (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the joint subcommittee.

The joint subcommittee shall complete its meetings for the first year by November 30, 2005, and for the second year by November 30, 2006, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the joint subcommittee intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or delay the period for the conduct of the study, or authorize additional meetings during the 2005 or 2006 interim.

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