

ENGROSSED SENATE
CONCURRENT
RESOLUTION NO. 42

By: Taylor and Wright of the
Senate

and

Johnson and Ferguson of the
House

A Concurrent Resolution relating to retirement; describing intent; creating a task force; providing for study of the Oklahoma Teachers' Retirement System; requiring report; and providing for membership and appointment.

WHEREAS, prior to 1992 the bulk of the financial support for the Oklahoma Teachers' Retirement System came from the gross production tax on natural gas; and

WHEREAS, in recognition of the declining revenue generated from the gross production tax and the future benefit payouts promised to public education employees, in 1992 the Legislature passed Senate Bill No. 568; and

WHEREAS, Senate Bill No. 568 required that regardless of the amount of revenue brought in from the gross production tax, the System would be guaranteed a certain level of contribution from the local employer; and

WHEREAS, despite a rapidly increasing local employer contribution level, Senate Bill No. 568 still allowed this amount to be reduced by the portion of the gross production tax on natural gas which is apportioned to the Oklahoma Teachers' Retirement System; and

WHEREAS, it is expected that the revenue generated from the gross production tax on natural gas will continue to decline,

requiring local employers to absorb an even greater percentage of the required contribution rate; and

WHEREAS, it is prudent and financially responsible for the state to explore other options for solving this ongoing problem in order to ensure that the Oklahoma Teachers' Retirement System is able to meet its long-term obligations to fund the retirement benefits for public education employees in the common schools, vocational-technical schools, colleges and universities, and other local and state educational agencies of the State of Oklahoma.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE 2ND SESSION OF THE 45TH OKLAHOMA LEGISLATURE, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

THAT there is hereby created the Oklahoma Teachers' Retirement System Fiscal Health Task Force. The purpose of the Task Force shall be to study the current and long-term financial condition of the Oklahoma Teachers' Retirement System and to advise the Executive and Legislative branches on the alternatives to solving funding problems.

THAT the study shall include, but not be limited to, the following:

1. A review of the current financial condition of the System which assesses the adequacy of current contributions;
2. Investigation of the System's long-term financial prognosis based on expected contributions and benefit levels;
3. Exploration of funding alternatives;
4. Consideration of the System's structure and design; and
5. A discussion of retirees' current and future benefit levels which considers members' needs and concerns.

THAT the Task Force shall issue a report of their findings and recommendations to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Governor of the State of Oklahoma by May 1, 1996.

THAT the Task Force shall include sixteen (16) members. Four of these members shall be members of the Senate and shall be appointed by the President Pro Tempore. Two of the Task Force members shall be members of the Senate and shall be appointed by the Senate Minority Floor Leader. Four of the Task Force members shall be members of the House of Representatives and shall be appointed by the Speaker of the House of Representatives. Two of the Task Force members shall be members of the House of Representatives and shall be appointed by the House Minority Floor Leader. The remaining four members shall be appointed by the Governor of the State of Oklahoma. Appointments shall be made by February 16, 1996.

THAT the first meeting of the Task Force shall be no later than February 23, 1996. The chair of the Task Force shall be selected by agreement of the Governor, President Pro Tempore of the Senate and the Speaker of the House of Representatives. Staffing for the Task Force shall be provided by the legislative staff of the Senate and House of Representatives.

THAT the members of the Task Force shall receive no compensation for serving in the Task Force, but shall receive travel reimbursement as follows:

1. Legislative members of the Task Force shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes from the legislative body which they serve;

2. Nonlegislative members of the Task Force shall be reimbursed by their respective agencies for their necessary travel expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes; and

3. Members of the Task Force who are not otherwise officers or employees of the state shall be reimbursed by the Legislative

Service Bureau in accordance with the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

THAT the Oklahoma Teachers' Retirement System shall provide such staff support as is required by the Task Force.

THAT the Task Force may utilize consultant services to assist in fulfilling its duties and responsibilities as described in this resolution. As authorized by the Task Force, the Legislative Service Bureau shall contract for the services of an appropriate consultant or consulting firms which are experts in the relevant field to assist with completion of the study.

THAT the expenses incurred by the Task Force in conducting this study shall be paid out of Legislative Service Bureau funds.

Adopted by the Senate the 13th day of February, 1996.

President of the Senate

Adopted by the House of Representatives the ____ day of _____,
1996.

Speaker of the House of Representatives