

An Act

ENROLLED HOUSE
BILL NO. 1007

By: McDaniel (Randy) of the
House

and

Mazzei of the Senate

An Act relating to public finance; enacting the Pension Funding Accountability Act of 2011; amending 62 O.S. 2001, Section 41.29f, as renumbered by Section 64, Chapter 441, O.S.L. 2009 (62 O.S. Supp. 2010, Section 34.93), which relates to the Teachers' Retirement System Dedicated Revenue Revolving Fund; providing fund to be administered by the State Department of Education; providing for transfer of revenues apportioned to the Teachers' Retirement System Dedicated Revenue Revolving Fund to the Teachers' Retirement System of Oklahoma; and providing for noncodification.

SUBJECT: Teachers' Retirement System Dedicated Revenue Revolving Fund

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Pension Funding Accountability Act of 2011".

SECTION 2. AMENDATORY 62 O.S. 2001, Section 41.29f, as renumbered by Section 64, Chapter 441, O.S.L. 2009 (62 O.S. Supp. 2010, Section 34.93), is amended to read as follows:

Section 34.93 A. The Office of State Finance shall separately account for revenues which are deposited to the credit of the

Teachers' Retirement System Dedicated Revenue Revolving Fund of the State Treasury pursuant to the provisions of Sections 1353, 1403 and 2352 of Title 68 of the Oklahoma Statutes on a fiscal year basis and shall provide an accounting to the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives within thirty (30) days after the end of the fiscal year.

B. Funds separately accounted for herein shall be used only to fund the currently unfunded liability of the Teachers' Retirement System and for no other purpose. Any appropriation or expenditure of any of such funds for any other purpose shall be null and void and of no effect. Each month the State Department of Education shall transfer the monies apportioned to the Teachers' Retirement System Dedicated Revenue Revolving Fund to the Teachers' Retirement System of Oklahoma to be used by the System for the purposes prescribed by this section.

C. There is hereby created in the State Treasury a revolving fund for the benefit of the Oklahoma Teachers' Retirement System to be designated the "Teachers' Retirement System Dedicated Revenue Revolving Fund" which fund shall be administered by the State Department of Education. The fund shall consist of any monies as apportioned to the fund by Sections 1353, 1403 and 2352 of Title 68 of the Oklahoma Statutes. The fund herein created may be expended for the purpose set forth in subsection B of this section and in the same manner as appropriated funds.

Passed the House of Representatives the 1st day of March, 2011.

Presiding Officer of the House of
Representatives

Passed the Senate the 11th day of April, 2011.

Presiding Officer of the Senate

February 14, 2011

Representative Randy McDaniel
Room 302 B

Re: Proposed Committee Substitute for House Bill No. 1007

Proposed Committee Substitute for House Bill No. 1007 directs the allocation of certain tax revenues to the Teachers' Retirement System Dedicated Revenue Revolving Fund to be deposited monthly in Teachers Retirement Fund.

Proposed Committee Substitute for House Bill No. 1007 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA

February 21, 2011

Representative Randy McDaniel
Room 302 B

Re: Committee Substitute for House Bill No. 1007
RBH No. 6719

Committee Substitute for House Bill No. 1007 sends OTRS dedicated revenue to the State Department of Education to be sent to OTRS.

Committee Substitute for House Bill No. 1007 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.
2512 E. 71st Street , Suite D · Tulsa, Oklahoma 74136
(918) 492-9658 · (918) 492- 9659

February 21, 2011

John McPhetridge
Room 109
House of Representatives
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105

Re: Committee Substitute for House Bill No. 1007

Dear Mr. McPhetridge,

Committee Substitute for House Bill No. 1007 changes how the OTRS dedicated revenue is transferred to OTRS.

Impact: This bill has no effect on OTRS liabilities or contribution requirement.

If you have any questions, please contact me.

Sincerely,

Thomas E. Cummins

Thomas E. Cummins, MAAA

February 21, 2011

Representative Randy McDaniel
Room 302 B

Re: Committee Substitute for House Bill No. 1007 as amended
RBH No. 6719

Committee Substitute for House Bill No. 1007 as amended sends OTRS dedicated revenue to the State Department of Education to be sent to OTRS.

Committee Substitute for House Bill No. 1007 as amended requires the system to be 80% funded at end of 10 years, when the liabilities are determined with no cost of living assumption. The legislature is required to make the necessary amount each year in order to reach the 80% funded ratio.

Committee Substitute for House Bill No. 1007 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.
2512 E. 71st Street , Suite D · Tulsa, Oklahoma 74136
(918) 492-9658 · (918) 492- 9659

February 23, 2011

John McPhetridge
Room 109
House of Representatives
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105

Re: Committee Substitute for House Bill No. 1007 as amended by FA1
Inman Sc
RBH No. 6719

Dear Mr. McPhetridge,

Committee Substitute for House Bill No. 1007 as amended requires the system to be 80% funded at end of 10 years, when the liabilities are determined with no cost of living assumption. The legislature is required to make the necessary amount each year in order to reach the 80% funded ratio.

Impact: Additional \$190,000,000 contribution would be necessary. In 2010 the state contributed \$228,000,000.

If you have any questions, please contact me.

Sincerely,

Thomas E. Cummins

Thomas E. Cummins, MAAA