

Resolution for School Employee Pension Reform
By the Board of School Directors of the Phoenixville Area School District

WHEREAS, the Board of Directors of the Pennsylvania Public School Employees Retirement System (PSERS) has voted to increase the employer contribution to the system for the 2010-2011 school year to 8.22%, a 72% increase over the 2009-2010 rate; and

WHEREAS, the employer contribution rate is projected to increase sharply in the next four years, reaching a peak of 33.60% in the 2014-2015 school year; and

WHEREAS, the employer contribution rate is projected to remain over 30% until the year 2020; over 25% until the year 2027 and over 20% until the year 2032; and

WHEREAS, the projected increases in employer contribution would cost the Phoenixville Area School District and its taxpayers an additional \$3,500,000 between the 2010-2011 school year and the 2014-2015 school year, and

WHEREAS, these projections present critical problems that effectively force the addition of significantly higher financial burdens on taxpayers, school districts and the commonwealth and consequently demand both a short-term and long-term solution; and

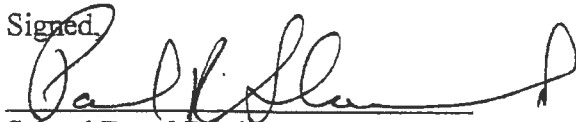
WHEREAS, a meaningful solution to these problems must involve the identification of another funding source for PSERS, decreasing or cutting the costs/liabilities of the system, including benefit levels, and deferring the system's liabilities.

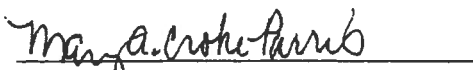
NOW THEREFORE, BE IT RESOLVED that the Board of School Directors of the Phoenixville Area School District calls upon the General Assembly to begin immediate consideration of school employee pension reform with the dual purpose of reducing projected employer contribution rate increases over the next four years and reducing projected costs to school districts, taxpayers and the commonwealth over the next two decades, while maintaining an appropriate pension benefit for school employees; and

BE IT FUTHER RESOLVED that the General Assembly approve bills, which would make PSERS a hybrid defined benefits/defined contribution system for future school employees, as a potential solution to the long-term cost issues presented by projections in the employer contribution rate.

Adopted this 18th day of March, 2010.

Signed.


School Board President


Board Secretary (seal)