

1 **NYSAC 2022 Fall Seminar**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #2**

4
5 **Resolution to Support Modifications to the State Pension Amortization**
6 **Programs to Allow Entities to Leave the Program Once They Have Fully**
7 **Paid Back the Amounts Borrowed, Including Interest, As Determined by the**
8 **State Comptroller**

9
10 **WHEREAS**, during the 2008 financial crisis and subsequent “Great Recession” the
11 state implemented numerous pension reforms to ease the financial burden on
12 governmental employers and taxpayers; and

13
14 **WHEREAS**, one of these reforms included pension contribution stabilization programs
15 to smooth volatility in pension payments; and

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17 **WHEREAS**, dozens of local governments opted into one or both of these pension
18 contribution stabilization programs over the last decade; and

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20 **WHEREAS**, under these laws once a local government employer entered into one of
21 these pension contribution stabilization programs there is no ability to ever exit; and

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23 **WHEREAS**, other provisions are proving to be fiscally onerous, such as requiring
24 contributions to pension reserves that must continue until they equal the full amount of
25 the employer’s payroll before they are allowed to end; and

26
27 **WHEREAS**, some provisions remain unclear as to how these reserves can even be
28 used; and

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30 **WHEREAS**, it is our understanding that school districts have different requirements
31 that allow them to exit the pension contribution stabilization system; and

32
33 **WHEREAS**, several counties that entered the pension contribution stabilization
34 program paid back their obligations many years ago, including all interest necessary to
35 hold harmless the common retirement fund’s targeted investment returns.

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37 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
38 Counties (NYSAC), calls upon the Governor and State Legislature to amend the pension
39 contribution stabilization programs to allow local governments to exit the program once
40 they have paid back all loans and interest to the satisfaction of the State Comptroller;
41 and

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43 **BE IT FURTHER RESOLVED**, additional amendments should include changes that
44 lower the size of the required pension reserve funds for entities that elect to stay within
45 the pension contribution stabilization programs; and

1 **BE IT FURTHER RESOLVED**, NYSAC also encourages the State Comptroller, State
2 Legislature and Governor to work with local governments to clarify how deposits to
3 pension reserve funds required under the pension contribution stabilization programs
4 can be utilized if a local government chooses to remain in the modified program; and
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6 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
7 of New York State encouraging member counties to enact similar resolutions; and
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9 **BE IT FURTHER RESOLVED**, the New York State Association of Counties shall
10 forward copies of this resolution to Governor Kathy Hochul, the New York State
11 Legislature, State Comptroller DiNapoli and all others deemed necessary and proper.