

1 **NYSAC 2023 Legislative Conference**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #2**

4
5 **Resolution In Support of the Governor’s Budget Proposal to Reform the**
6 **State’s Pension Contribution Stabilization Programs**

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8 **WHEREAS**, in the aftermath of the Great Recession and accompanying large
9 investment losses in the state’s Common Retirement Fund; and

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11 **WHEREAS**, these events triggered large annual increases in local governments’
12 required pension contributions over multiple years; and

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14 **WHEREAS**, the increases tripled contribution rates paid and doubled cash
15 contributions for county employers; and

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17 **WHEREAS**, the dramatic impact resulted in major reforms to the state pension system
18 and led to the creation of two additional retirement tiers, V and VI; and

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20 **WHEREAS**, it also resulted in the creation of two separate pension contribution
21 stabilization programs designed to smooth out volatility in annual contributions; and

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23 **WHEREAS**, the stabilization programs as established at the time were well intentioned
24 and did smooth volatility in annual contributions they were also found, over time, to be
25 rigid in application, inflexible in its treatment of reserve accounts required to be created
26 by many participants and provided no ability to withdrawal from the programs; and

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28 **WHEREAS**, more than 200 municipal entities (including 11 counties) and the State of
29 New York participate in these pension contribution stabilization programs; and

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31 **WHEREAS**, some counties that entered into the program fully paid back all
32 outstanding loans, with interest, many years ago; and

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34 **WHEREAS**, several counties have expressed a desire to exit the program and also to
35 seek modifications that provide more flexibility in the use of reserve funds required
36 under the law; and

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38 **WHEREAS**, the Governor’s proposed SFY 2024 budget includes reforms that would
39 allow municipalities to exit the program and also provide more flexibility over reserve
40 funds; and

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42 **WHEREAS**, the New York State Comptroller, the sole fiduciary of the state and local
43 retirement fund, supports these reforms.

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45 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
46 Counties endorses the Governor’s reforms to the pension contribution stabilization

1 programs, and we strongly encourage the State Legislature to support these reforms as
2 well; and

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4 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
5 of New York State encouraging member counties to enact similar resolutions; and

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7 **BE IT FURTHER RESOLVED**, the New York State Association of Counties shall
8 forward copies of this resolution to Governor Kathy Hochul, the New York State
9 Legislature and all others deemed necessary and proper.