
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 522 Session of
2017

INTRODUCED BY RYAN, GROVE, ENGLISH, PHILLIPS-HILL, KAUFER,
KNOWLES, D. MILLER, READSHAW, ROTHMAN, SAYLOR AND WHEELAND,
SEPTEMBER 27, 2017

REFERRED TO COMMITTEE ON STATE GOVERNMENT, SEPTEMBER 27, 2017

A CONCURRENT RESOLUTION

1 Urging the Treasurer of Pennsylvania to petition the Federal
2 Reserve to remit \$24 billion to the Commonwealth to reimburse
3 State and municipal pension plans for lost earnings due to
4 quantitative easing.

5 WHEREAS, The Federal Reserve System is a Federal agency,
6 comprised of a board of governors and 12 independent regional
7 reserve banks; and

8 WHEREAS, The Federal Reserve directs the central banking
9 system of the United States and was created to respond to
10 banking panics; and

11 WHEREAS, In response to various financial troubles, the
12 Federal Reserve introduced new money into America's financial
13 system by purchasing assets from commercial banks at various
14 points between 2009 and 2014 by a process called quantitative
15 easing; and

16 WHEREAS, Quantitative easing had negative side effects that
17 limited the earning potential of municipal and Commonwealth
18 pension portfolios; and

1 WHEREAS, Pennsylvania seeks restitution from the Federal
2 Reserve to reimburse the Commonwealth for lost earnings of
3 pension plans due to the negative impacts of quantitative
4 easing; and

5 WHEREAS, The estimated amount of damages for the years 2009
6 to 2016 is 200 basis points per year for 40% of the
7 Commonwealth's portfolio and municipal portfolio of pension
8 assets; and

9 WHEREAS, Those damages amount to an estimated loss of \$24
10 billion; and

11 WHEREAS, The Treasurer of Pennsylvania should petition the
12 Federal Reserve to remit \$24 billion to the Commonwealth of
13 Pennsylvania; and

14 WHEREAS, Any money received from the Federal Reserve shall be
15 deposited into a special account within the General Fund to be
16 used for funding municipal and State pension plans; therefore be
17 it

18 RESOLVED (the Senate concurring), That the General Assembly
19 of the Commonwealth urge the Treasurer of Pennsylvania to
20 petition the Federal Reserve to remit \$24 billion to the
21 Commonwealth to reimburse State and municipal pension plans for
22 lost earnings due to quantitative easing; and be it further

23 RESOLVED, That a certified copy of this resolution be
24 transmitted by the Clerk of the House of Representatives to the
25 Governor, the Treasurer of Pennsylvania and to each member of
26 Congress from Pennsylvania.