

## Comparison of key aspects of Act 47 and Oversight Board

Key aspect	Act 47/Coordinators team	Act 11/Oversight board
Appointment/leadership	Coordinators appointed by DCED	Authority members appointed by Governor and by majority and minority legislative leaders
Process	Fiscal recovery plan presented by coordinators to Mayor and City Council for approval. City can reject the coordinators' plan and draft its own. Then DCED must approve the revised plan.	Mayor presents annual budget and five-year financial plan to authority for approval
Reporting	Once the plan has been approved, monthly and annual reports made to DCED. There is a 3-year cycle for determining the continued existence of factors of distress.	Preliminary report to Governor & legislature made on April 12, 2004. A follow-up report promised in 60 days.  Must meet at least quarterly; meetings subject to Open Meetings Act.
Impact on union contracts	Existing contracts remain in place. Future contracts have to comply with plan.	Existing contracts remain in place. Future contracts have to comply with plan.
Impact on taxes	Coordinator can recommend an increase in the earned income tax on commuters beyond the current legislative cap of 1%. Court approval needed for increases in earned income tax. (The City has a 1% commuter wage tax now, but it is offset by the 1% resident wage taxes in most Pennsylvania communities.	No new taxing powers; possible prohibition on commuter tax
Sanctions	Loss of most state aid with some exceptions (capital project funding for projects underway; disaster funds; pension fund disbursements)	No state aid w/o approved plan (some exceptions); no borrowing/receipt of funds w/o approved plan
How does process end?	When coordinators determine that factors of distress no longer exist, an exit study is done with demonstrations that a stable budget is possible without extra support.	In existence for at least 7 years