

As of October 17, 2017

GATHERING STORM: THE RISKS OF STATE PENSION UNDERFUNDING
October 19-20, 2017
Harvard University, Loeb House, 17 Quincy Street, Cambridge, MA 02138

AGENDA

THURSDAY, OCTOBER 19, 2017

DAY 1

8:00 – 8:30am **BREAKFAST**

8:30 – 8:45am **WELCOME AND INTRODUCTORY REMARKS**
Thomas J. Healey
*Senior Fellow, Mossavar-Rahmani Center for Business and Government,
Harvard Kennedy School*

SESSION I – A REALISTIC ASSESSMENT OF THE CHALLENGE (PART 1)

Moderator: Robert R. Glauber

Lecturer, Harvard's Kennedy School of Government and Visiting Professor, Harvard Law School

Speakers:

8:45 – 9:00am **Robert P. Inman**
*Richard King Mellon Professor of Finance and Economics, Wharton School of the
University of Pennsylvania*
“The How, Why and Consequences of State and Local Deficits”

9:00 – 9:15am **Andrew G. Biggs**
Resident Scholar, American Enterprise Institute for Public Policy Research
“Public Employee Pensions: Liabilities and Affordability”

Respondents:

9:15 – 9:25am **Alicia Munnell**
*Director, Peter F. Drucker Professor of Management Sciences, Boston College's
Carroll School of Management*

9:25 – 9:35am **William Glasgall**
Director, State and Local Program, The Volcker Alliance

9:35 – 10:25am **OPEN DISCUSSION**

10:25 – 10:40am **BREAK**

SESSION II – A REALISTIC ASSESSMENT OF THE CHALLENGE (PART 2)

Moderator: Josh McGee

Vice President, Laura and John Arnold Foundation and Senior Fellow, Manhattan Institute

Speakers:

10:40 – 10:55am

C. Eugene Steuerle

Fellow and Richard B. Fisher Chair, Urban Institute

“The Macro Implications of State Pension Design”

10:55 – 11:10am

Gregory Mennis

Director, Public Sector Retirement Systems, The Pew Charitable Trusts

“Assessing the Risk of Fiscal Distress for Public Pensions – State Stress Test Analysis”

11:10 – 11:25am

Amy B. Monahan

The Melvin Steen & Corporate Donors Professor, University of Minnesota Law School

“Legal Obstacles to Changing Benefits”

Respondents:

11:25 – 11:35am

Jason Furman

Professor of the Practice of Economic Policy, Harvard Kennedy School

11:35 – 11:45am

Daniel R. Liljenquist

President of the Retirement Security Initiative and Former Utah State Senator

11:45 – 12:35pm

OPEN DISCUSSION

12:35 – 1:35pm

LUNCH

SESSION III – CURRENT PENSION REALITIES

Moderator: Thomas J. Healey

Senior Fellow, Mossavar-Rahmani Center for Business and Government, Harvard Kennedy School

Speakers:

1:35 – 1:50pm

Antonio Weiss

*Senior Fellow, Mossavar-Rahmani Center for Business and Government,
Harvard Kennedy School*

“Public Pension Crisis in Puerto Rico”

1:50 – 2:05pm

Michael Cembalest

*Chairman of Market and Investment Strategy, J.P. Morgan Asset & Wealth
Management*

**“The ARC and the Covenants: Computing the Pension and OPEB Burdens of
States, Cities and Counties”**

2:05 – 2:20pm

James E. Spiotto

Managing Director, Chapman Strategic Advisors LLC

**“When Needed Public Pension Reform Efforts Fail or Appear to Be Legally
Impossible, What Then?”**

2:20 – 2:35pm

David Draine

Senior Officer, Public Sector Retirement Systems, The Pew Charitable Trusts

“Public Pension Underfunding in Five Troubled States”

2:35 – 3:25pm

OPEN DISCUSSION

3:25 – 3:45pm

BREAK

SESSION IV – BETTER MEASUREMENTS (PART 1)

Moderator: C. Eugene Steuerle

Fellow and Richard B. Fisher Chair, Urban Institute

Speakers:

3:45 – 4:00pm **Deborah Lucas**
Sloan Distinguished Professor of Finance and Director of the MIT Golub Center for Finance and Policy
“Towards Fair Value Accounting for Public Pensions: The Case for Delinking Disclosure and Funding Requirements”

4:00 – 4:15pm **Thomas S. Terry**
Founder and Chief Executive Officer, The Terry Group
“Examining the Measurement Arguments from Both Sides”

4:15 – 4:30pm **Marcia Van Wagner**
Vice President, Senior Credit Officer, Public Finance Group, Moody's Investors Service
“Stress-Testing the States: ANPL, Tread Water Gaps, and the Budget Shock Index”

Respondent:

4:30 – 4:40pm **Keith Brainard**
Research Director, National Association of State Retirement Administrators

4:40 – 5:15pm **OPEN DISCUSSION**

5:15 – 5:30pm **VIDEO: COMMENTS BY PAUL A. VOLCKER**
Former Chairman of the Board of Governors of the Federal Reserve System

7:00pm **DINNER** (Malkin Penthouse)
Guest Speaker: Lawrence H. Summers, *President Emeritus and the Charles W. Eliot University Professor, Harvard University*

FRIDAY, OCTOBER 20, 2017

DAY 2

8:00 – 8:30am BREAKFAST

SESSION V – BETTER MEASUREMENTS (PART 2)

Moderator: Kenneth A. Kriz

Regents Distinguished Professor of Public Finance, Wichita State University and Director of the Kansas Public Finance Center

8:30 – 8:45am Daniel Shoag
Associate Professor of Public Policy, Taubman Center for State and Local Government, Harvard Kennedy School
“Improvements in Pension Measurement and Risk Assessment”

8:45 – 9:00am Kurt D. Winkelmann
Senior Fellow, University of Minnesota
“Low Growth Equals Low Returns”

9:00 – 9:15am David S. T. Matkin
Associate Professor and the Vice Chair of the Department of Public Administration and Policy in the Rockefeller College of Public Administration & Policy at the University at Albany–SUNY
Gang Chen
Assistant Professor, Rockefeller College of Public Affairs & Policy, University at Albany–SUNY
“The Sustainability of Public Pension Systems in a Low-Return Environment”

9:15 – 10:05am OPEN DISCUSSION

10:05 – 10:25am BREAK

SESSION VI – LESSONS FROM EXPERIENCE: FOUR SHORT CASE STUDIES OF SUCCESSES AND FAILURES

Moderator: Teresa Ghilarducci

Bernard L. and Irene Schwartz Professor of Economics at The New School for Social Research and the Director of the Schwartz Center for Economic Policy Analysis (SCEPA) and The New School's Retirement Equity Lab (ReLab)

Speakers:

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| 10:25 – 10:40am | Senator Jake Corman
<i>Majority Leader, 34th District, State of Pennsylvania</i>
“Pennsylvania” |
| 10:40 – 10:55am | Mark A. Dingley
<i>Deputy Director of the Rhode Island Department of Administration</i>
“Rhode Island” |
| 10:55 – 11:10am | Leonard Gilroy
<i>Senior Managing Director, Pension Integrity Project, Reason Foundation</i>
“Arizona” |
| 11:10 – 11:25am | Thomas J. Healey
<i>Senior Fellow, Mossavar-Rahmani Center for Business and Government, Harvard Kennedy School</i>
“New Jersey” |
| 11:25 – 12:15pm | OPEN DISCUSSION |
| 12:15 – 1:20pm | LUNCH |

SESSION VII – OBSTACLES, OPPORTUNITIES, AND PRESCRIPTIONS

Moderator: Richard Ravitch

Former Lieutenant Governor, State of New York

Speakers:

1:20 – 1:35pm

Joshua D. Rauh

Ormond Family Professor of Finance, Stanford Graduate School of Business and Senior Fellow, Hoover Institution, Stanford University

“Transitioning from Defined Benefit to Defined Contribution Pensions in the Public Sector”

1:35 – 1:50pm

Josh B. McGee

Vice President, Laura and John Arnold Foundation and Senior Fellow, Manhattan Institute

“Where Should Pension Reform Go From Here?”

1:50 – 2:05pm

Donald J. Boyd

Director of Fiscal Studies, The Nelson A. Rockefeller Institute of Government–SUNY

“The Reforms That Public Pensions Really Need”

Respondent:

2:05 – 2:15pm

Joshua Gotbaum

Guest Scholar, Economic Studies Program, The Brookings Institution

2:15 – 3:15pm

OPEN DISCUSSION

CONCLUDING REMARKS

3:15 – 3:30pm

Roger B. Porter

IBM Professor of Business and Government at Harvard University

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