



SR0083

LRB097 11003 JDS 51746 r

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SENATE RESOLUTION

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WHEREAS, The Illinois public pension systems are estimated to have an unfunded liability of \$80 billion, and the State's contribution to those systems is expected to be \$22 billion in fiscal year 2045; and

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WHEREAS, The Pew Center issued a study on state pensions, titled "The Trillion Dollar Gap", which reported that Illinois has the worst funded pension systems in the nation; and

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WHEREAS, Over the years, the Illinois pension systems have used questionable accounting and investment practices; and

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WHEREAS, The State of Illinois is facing an unprecedented funding shortfall in all of its pension systems and is commonly considered the worst funded public pension systems among the 50 states; and

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WHEREAS, Former Governor Rod Blagojevich was indicted for corruption involving official actions pertaining to the Teachers' Retirement System of the State of Illinois; and

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WHEREAS, State law provides limits on Freedom of Information Act requests for pension data that limit the transparency of the pension systems of the State of Illinois;

1 and

2 WHEREAS, It was recently made public that the U.S.
3 Securities and Exchange Commission has opened an inquiry into
4 the reporting of potential pension reform savings by the
5 pension systems; and

6 WHEREAS, The inquiry has raised questions about investment
7 decisions, investment returns, and accounting techniques that
8 warrant an audit of the pension systems; therefore, be it

9 RESOLVED, BY THE SENATE OF THE NINETY-SEVENTH GENERAL
10 ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the Commission
11 on Government Forecasting and Accountability to competitively
12 bid for an auditing firm to conduct an audit of the State
13 Employee's Retirement System of Illinois, the Judges
14 Retirement System of Illinois, the General Assembly Retirement
15 System, the State Universities Retirement System, and the
16 Teachers' Retirement System of the State of Illinois; and be it
17 further

18 RESOLVED, That the firm shall look into all processes of
19 the systems, including examining contracts awarded, investment
20 decisions, investment returns, investment fees, trading
21 commissions, accounting techniques, and any other processes
22 related to the management of the funds; and be it further

1 RESOLVED, That the Commission on Government Forecasting
2 and Accountability report within one year after the adoption of
3 this resolution to the General Assembly and Governor, and
4 publish on its website, all findings, including
5 recommendations on how each system can improve efficiency and
6 any finding of suspected corruption; and be it further

7 RESOLVED, That the pension systems involved fully
8 cooperate and turn over any materials requested by the auditing
9 firm; and be it further

10 RESOLVED, That the Commission on Government Forecasting
11 and Accountability begin the process of selecting an auditing
12 firm as soon as possible after the adoption of this resolution
13 so that an initial discovery audit will be made available
14 within 2 months to the Commission on Government Forecasting and
15 Accountability and the public; and be it further

16 RESOLVED, That the Commission on Government Forecasting
17 and Accountability report quarterly on the fiscal condition of
18 the pension systems, in particular: the current funding ratio,
19 as projected with and without the use of 5-year asset
20 smoothing; balance of assets; cash on hand; and projected
21 liabilities; and be it further

1 RESOLVED, That suitable copies of this resolution be
2 delivered to the Executive Director of the Commission on
3 Government Forecasting and Accountability, as well as to the
4 State Employees' Retirement System of Illinois, the Judges
5 Retirement System of Illinois, the General Assembly Retirement
6 System, the State Universities Retirement System, and the
7 Teachers' Retirement System of the State of Illinois.