



HR0737

LRB097 17329 EFG 62530 r

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HOUSE RESOLUTION

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

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

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

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

15 WHEREAS, Federal corruption charges leading to the
16 conviction of former Governor Rod Blagojevich and his political
17 associates included official actions pertaining to the
18 Teachers' Retirement System of the State of Illinois; and

19 WHEREAS, State law provides limits on Freedom of
20 Information Act requests for pension data that limit the

1 transparency of the pension systems of the State of Illinois;
2 and

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

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

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

19 RESOLVED, That the firm shall look into all processes of
20 the systems, including examining contracts awarded, investment
21 decisions, investment returns, investment fees, trading
22 commissions, accounting techniques, and any other processes

1 related to the management of the funds; and be it further

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

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

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

17 RESOLVED, That the Commission on Government Forecasting
18 and Accountability report quarterly on the fiscal condition of
19 the pension systems, in particular: the current funding ratio,
20 as projected with and without the use of 5-year asset
21 smoothing; balance of assets; cash on hand; and projected
22 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.