

1 HOUSE JOINT RESOLUTION 37

2 WHEREAS, In 1980, the General Assembly authorized the
3 Teachers' Retirement System of the State of Illinois (TRS) to
4 establish a health insurance program for benefit recipients
5 and their dependents, with annuitants paying 50% of the cost;
6 and

7 WHEREAS, In 1991, the General Assembly authorized TRS to
8 increase the subsidy from 50% to 75% to achieve closer parity
9 with State retirees' health insurance premiums; and

10 WHEREAS, In 1995, the General Assembly transferred the
11 health insurance program from TRS to the State of Illinois,
12 to be administered by the Department of Central Management
13 Services (CMS), and established the Teachers' Retirement
14 Insurance Program (TRIP); and

15 WHEREAS, The General Assembly reduced the premium subsidy
16 for the traditional indemnity plan from 75% to 50%; and

17 WHEREAS, The General Assembly mandated that active
18 teachers pay 0.50% of their salary to help finance the CMS
19 program; and

20 WHEREAS, The General Assembly mandated the State of
21 Illinois to match the contributions of the active teachers to
22 help finance the CMS program; and

23 WHEREAS, The Illinois Economic and Fiscal Commission
24 reported in November of 2000 that current revenues would not
25 be able to fund the current TRIP, with a shortfall of \$9.3
26 million by the end of fiscal year 2002; and

27 WHEREAS, The Illinois Economic and Fiscal Commission
28 updated its report in April of 2001, increasing the shortfall
29 to \$37.6 million by the end of fiscal year 2002; and

30 WHEREAS, TRS has hired a health insurance actuary to

1 provide an independent review of the current TRIP funding
2 status and an analysis of TRIP's projected financial needs,
3 along with possible alternative scenarios; and

4 WHEREAS, The Illinois Economic and Fiscal Commission
5 identified 4 possible funding sources for increasing TRIP
6 funding: retiree premiums, active teacher contributions,
7 State contributions, and a new contribution requirement for
8 school districts; and

9 WHEREAS, CMS has proposed an increase to 70% for
10 annuitant and dependent premiums; and

11 WHEREAS, The State's public education system encompasses
12 downstate and suburban as well as Chicago public schools; and

13 WHEREAS, The General Assembly has declared that it is its
14 goal and intention to contribute to the Public School
15 Teachers' Pension and Retirement Fund of Chicago an amount
16 that is between 20% and 30% of the State's annual funding for
17 the downstate and suburban Teachers' Retirement System (found
18 in the Illinois Compiled Statutes at 40 ILCS 5/17-127); and

19 WHEREAS, This statutory funding directive is founded upon
20 both historical practice and equitable principles; and

21 WHEREAS, During the current fiscal year, the State is
22 contributing to the Public School Teachers' Pension and
23 Retirement Fund of Chicago an amount only equal to 9% of the
24 funding provided to the Teachers' Retirement System, and far
25 below the minimum statutory goal; and

26 WHEREAS, For equitable reasons, as well as reasons of
27 financial need, the State's underfunding of the Public School
28 Teachers' Pension and Retirement Fund of Chicago is an issue
29 that should be addressed and corrected; and

30 WHEREAS, It is therefore appropriate to consider the

1 funding concerns of TRIP in the context of the funding needs
2 of the Public School Teachers' Pension and Retirement Fund of
3 Chicago; therefore, be it

4 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
5 NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
6 SENATE CONCURRING HEREIN, that the Governor reduce the 70%
7 proposal by the Department of Central Management Services to
8 a level similar to previous years' increases; and be it
9 further

10 RESOLVED, That a TRIP Funding and Chicago Teachers'
11 Retirement System Task Force be established, composed of 3
12 members appointed by the President of the Senate, 3 members
13 appointed by the Minority Leader of the Senate, 3 members
14 appointed by the Speaker of the House, 3 members appointed by
15 the Minority Leader of the House, one member appointed by the
16 Illinois Retired Teachers Association, one member appointed
17 by the Illinois Education Association, one member appointed
18 by the Illinois Federation of Teachers, one member appointed
19 by the Chicago Teachers Union, 2 members appointed by the
20 Chicago Board of Education, 2 members appointed by the
21 Illinois Statewide School Management Alliance, and the
22 Director of Central Management Services or his or her
23 designee, to study the current funding shortfall of TRIP as
24 well as the financial and equitable needs of the Public
25 School Teachers' Pension and Retirement Fund of Chicago for
26 additional State funding, and to report its recommendations
27 on a solution to the General Assembly on or before November
28 1, 2001; and be it further

29 RESOLVED, That suitable copies of this resolution be
30 delivered to the Governor, the Illinois Retired Teachers
31 Association, the Illinois Education Association, the Illinois
32 Federation of Teachers, the Chicago Teachers' Union, the
33 Chicago Board of Education, the Illinois Statewide School

1 Management Alliance, and the Director of Central Management
2 Services.