



Teachers' Retirement System of the State of Illinois

MINUTES Legislative Committee Meeting May 19, 2010

A meeting of the Legislative Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on May 19, 2010 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Jan Cleveland, Chair, called the meeting to order at 1:15 p.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Jan Cleveland (Chair), Bob Lyons, Sid Marder, and Molly Phalen. Cinda Klickna (Vice Chair) was absent. Other trustees present: Marcia Boone, Mike Busby, Sharon Leggett, Cynthia O'Neill, Janice Reedus, Sonia Walwyn.

Others present: Stan Rupnik, Acting Exec. Director /CIO; Tom Gray, General Counsel; Cynthia Fain, Sr. Asst. General Counsel; Rich Frankenfeld, Director of Outreach; Stacy Smith, Director of Internal Audit; Melissa Oller, Internal Auditor; Kathleen Farney, Director of Research; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Dave Urbanek, Public Information Officer; Sue Billington, Executive Assistant; Tammy Green, Asst. to Executive Director; John Long, Cavanagh & O'Hara (Fiduciary Counsel); and Andrew Bodewes (Legislative Consultant).

APPROVAL OF MINUTES

A draft of the minutes from the February 24 and 26, 2010 Legislative Committee was sent to members of the committee for review. On a motion by Sid Marder, seconded by Molly Phalen, and by unanimous voice vote, the minutes were approved as printed.

Visitors present: Dennis Murfin, IRTA Rep.; Shirley Dodds, IRTA Rep.; Don Davis, IRTA Rep.; and Jack Tucker, IEA-R.

LEGISLATIVE UPDATE

Andrew Bodewes, Legislative Consultant, provided a historical look at why the pension system is severely underfunded. The documentation compares TRS actual employer contributions to actuarially determined funding requirements for fiscal

years 1953-2009. The funding requirements were determined under standard actuarial calculations of employer funding requirements, not the less rigorous requirements under the pension code. The required contributions due from the state under standard actuarial funding methods have not been made. Documentation is on file.

Lawmakers are currently discussing the budget and alternatives to fund the state pension systems. House Bill 543 suspends the continuing appropriation pending certification of funding; Senate Bill 3514 proposes borrowing money to cover the pension payment; and Senate Bill 3660 is the Emergency Budget Act which gives Governor Quinn discretionary power over the state budget. Legislation of interest to TRS that has been introduced into the 96th General Assembly is on file.

Trustee Phalen reported that a recent article in the *Chicago Tribune* referenced that Mayer Brown has joined the list of law firms that say the Illinois Constitution permits reduction of future pension benefits of current state employees. Trustee Phalen requested that staff speak to Mayer Brown regarding the article and what was actually said to the *Tribune*.

ADJOURNMENT

On a motion by Molly Phalen, seconded by Sid Marder, and by unanimous vote, the meeting adjourned at 2:00 p.m.

Stan Rupnik, Acting Executive Director

Approved _____