

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 96TH GENERAL ASSEMBLY

BILL NO: **SB 3280** March 2, 2010

SPONSOR(S): McCarter

SYSTEM(S): Teachers' Retirement System

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**FISCAL IMPACT:** There is no discernable fiscal impact associated with SB 3280.

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**SUBJECT MATTER:** SB 3280 amends the Downstate Teacher Article of the Illinois Pension Code to make changes regarding the board of trustees, including the number of members of the board, the number of members that will be appointed by the Governor, and the terms of office for the appointed members. SB 3280 terminates the terms of members of the board who are appointed by the Governor, including temporary appointees, on the effective date of this amendatory Act.

**FISCAL IMPACT:** There is no discernable fiscal impact associated with SB 3280.

**COMMENT:** Currently, the Board of Trustees of the Teachers' Retirement System of the State of Illinois consists of 13 members and is responsible for the general administration of TRS. The board is composed of the Superintendent of Education, ex-officio, who acts as president of the board; 6 persons appointed by the Governor who are not members of TRS and who do not hold an elected State office; 4 persons elected by the contributing members who at the time of their election are teachers under TRS; and 2 annuitant members elected by the annuitants of TRS. The terms of office for the appointed members begin on July 15 of an even-numbered year. 3 members, appointed by the Governor, with the advice and consent of the Senate in each even-numbered year hold office for a term of 4 years; 3 members are appointed for a term ending on July 14, 2012; and 3 members are appointed for a term ending on July 14, 2014. If there is a vacancy in the term of an appointed trustee, it will be filled for the unexpired term by appointment by the Governor. If a member who was appointed by the Governor loses his or her term of office, he or she is able to hold over in office for no more than 60 days.

SB 3280 reduces the membership of the board of trustees from 13 members to 11 members. In addition, SB 3280 provides that the Governor will only appoint 4 members rather than 6 members. Under SB 3280, terms of office for the appointed

members still begin on July 15 of an even-numbered year, except the terms of office for members appointed before this amendatory Act, whose terms shall begin once they are confirmed by the Senate. The Governor will only appoint 2 members rather than 3 members as trustees who will hold a term of 4 years, 2 members instead of 3 members will be appointed for a term ending on July 14, 2012, and 2 members instead of 3 members will be appointed for a term ending on July 14, 2014. Each appointee is required to reside and be a taxpayer in the territory covered by TRS, be interested in public school welfare, and be experienced and competent in financial and business management.

In addition, under SB 3280, the terms of office of the current members of the board who are appointed by the Governor, including temporary appointees, are terminated and current members are no longer allowed to hold over in office after the effective date of this amendatory Act.

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