

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 1999**

March 5, 2007

SPONSOR (S): Smith

SYSTEM(S): Teachers' Retirement System

FISCAL IMPACT: HB 1999 would not have any fiscal impact on any pension fund or retirement system in the State of Illinois.

SUBJECT MATTER: HB 1999 creates the Financial Oversight Panel Law of the School Code. It allows a school district to petition the State Board of Education for the establishment of a Financial Oversight Panel to manage the various financial activities of the district.

FISCAL IMPACT: HB 1999 would not have any fiscal impact on any pension fund or retirement system in the State of Illinois.

COMMENT/DISCUSSION: HB 1999 gives each school district in Illinois (other than the Chicago School District) the right to petition the State Board of Education for the establishment of a Financial Oversight Panel for the district, and allows the State Board to establish a Financial Oversight Panel without a petition from the district. Each Financial Oversight Panel will oversee all of the financial management operations of the district in the following areas: (1) collective bargaining agreements, (2) deposits and investments, (3) cash and bank accounts, (4) budgetary structure, (5) grants and loans, (6) issuance of bonds, (7) tax levies, (8) debt service funds, (9) debt service reserve funds, (10) bond anticipation notes, (11) tax anticipation warrants, (12) property exempt from taxation, (13) audits, (14) sanctions, and (15) the School District Emergency Financial Assistance Fund. HR 1999 also grants TRS pension rights to any chief executive officer, chief educational officer or chief fiscal officer employed by a Financial Oversight Panel.

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