COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: SB 8	3, as amended	by	SA	#1
---------------	---------------	----	----	----

May 1, 2008

SPONSOR (S): Raoul - Jones, Emil

SYSTEM(S): General Provisions Article

FISCAL IMPACT: The fiscal impact of SB 813, as amended by SA #1 cannot be determined as it is unknown how Board rulings may affect the retirement systems' asset allocation.

<u>SUBJECT MATTER</u>: SB 813, as amended by SA #1, amends the General Provisions Article of the Illinois Pension code to add the creation of the Pension Oversight Board consisting of 12 appointed members of the General Assembly. The Pension Oversight Board shall meet twice annually or more contingent upon the call of the chair.

FISCAL IMPACT: SB 813, as amended by SA #1 cannot be determined as it is unknown how Board rulings may affect the retirement systems' asset allocation.

<u>COMMENT</u>: SB 813, as amended by SA #1, creates a Pension Oversight Board to investigate conflicts of interest regarding consultants, executive directors, investment officers, and trustees. The Board will be comprised of 12 appointed members of the General Assembly, 3 by the President of the Senate, 3 by the Minority of the Senate, 3 by the Speaker of the House of Representatives, and 3 by the Minority Leader of the House of Representatives. The Pension Oversight Board will also investigate discriminatory treatment in the procurement process, the extent to which pension funds embrace qualified Illinois headquartered money managers and broker dealers, the funds use of minority and women owned firms. The board will have the authority to enter into contracts, sue and be sued, adopt and enforce bylaws; repeal bylaws, rules and procedures, and assist the Board in performance of its duties. The Pension Oversight Board will meet twice annually or more contingent upon the call of the chair and will serve without compensation.

BB:dkb LRB095 05515 AMC 50050 a