COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO:	HB 3746

February 24, 2021

SPONSOR (S): Reick

SYSTEM(S): Firefighters Investment Fund Article

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 3746.

<u>SUBJECT MATTER</u>: HB 3746 amends the Firefighters Investment Fund article of the Pension Code to expand the membership of the Board of Trustees from 9 members to 10 members. The additional member would be a gubernatorial appointee recommended by an association representing fire protection districts. Additionally, one of the 3 elected municipal/management members must come from a fire protection district.

<u>COMMENT:</u> P.A. 101-0610, which became effective on January 1, 2020, created the Firefighters Investment Fund for the purposes of commingling and investing the assets of Article 4 (Downstate Fire) pension funds. The board of consists of 9 members, 3 of whom are to be mayors, presidents, chief executive officers, etc. of municipalities or fire protection districts that have Article 4 pension funds. The 3 members who come from this municipal/management cohort must be elected by the mayors and presidents of these 3 members be from a fire protection district. Additionally, the bill would expand total board membership to 10, with the additional member being a gubernatorial appointee recommended by a statewide association representing fire protection districts.

HB 3746 also stipulates that all actions taken by the expanded board of trustees shall require a vote of 6 trustees, except that certain actions will require 7 votes, such as the adoption of actuarial assumptions, the selection of the chief investment officer and fiduciary counsel, amongst other actions.

Although the bill references the transition board of trustees, the permanent board of trustees was seated on January 4, 2021.

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