



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **SB 2152**

February 17, 2023

SPONSOR (S): Cunningham

SYSTEM: SURS, TRS, and the State Board of Investment

FISCAL IMPACT

SB 2152 would have no actuarially discernible fiscal impact as the language added is administrative in nature. To the extent the investment entities of the State-funded systems would no longer have to hire outside companies to execute proxy voting, there would be a slight savings as the State Treasurer would assume these duties.

SUBJECT MATTER: SB 2152 amends the State Universities, Downstate Teachers, and Board of Investment Articles of the Illinois Pension Code to establish proxy voting and reporting requirements for the Boards of each Fund, which will be conducted under the auspices of the Office of the State Treasurer.

COMMENT: Current law does not require the investment entities for the State Systems to follow a uniform protocol for domestic or international proxy voting. SB 2152 establishes the State Treasurer as responsible for managing systems' proxy voting activity. The bill requires quarterly proxy voting reports from the Treasurer to the respective boards. The bill also requires each respective Board to annually publish a report on its website detailing how that Board is considering sustainability factors as defined in the Illinois Sustainable Investing Act.

SURS has weighed in on their procedures with regard to proxy voting. The system notes that the SURS Board of Trustees adopts a proxy voting policy in accordance with its fiduciary responsibilities and hires a company (Glass Lewis) to vote its proxies in accordance with that policy. Reports of proxy votes are provided to the SURS Board of Trustees on a quarterly basis and are available on SURS' website.

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