

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 0517**

February 20, 2007

SPONSOR (S): Clayborne

SYSTEM(S): State Universities' Retirement System, Teachers' Retirement System, and any pension fund or retirement system under the jurisdiction of the Illinois State Board of Investments

FISCAL IMPACT: SB 0517 will have a fiscal impact, but the exact impact cannot be determined. If Illinois public pension funds and retirement systems are required to make environmental real estate expenditures, there will be a fiscal impact due to an increase in their costs of operation.

SUBJECT MATTER: SB 0517 amends the Illinois Pension Code to require the board of trustees of the State Universities' Retirement System, Teachers' Retirement system, and any pension fund or retirement system under the jurisdiction of the Illinois State Board of Investments (SERS, JRS, GARS) to adopt an environmental real estate investment policy that promotes environmentally friendly improvements in property owned by the board.

FISCAL IMPACT: SB 0517 will have a fiscal impact, but the exact impact cannot be determined. If Illinois public pension funds and retirement systems are required to make environmental real estate expenditures, there will be a fiscal impact due to an increase in their costs of operation.

COMMENTS: SB 0517 requires SURS, TRS and the other affected retirement systems and pension funds to adopt an environmental real estate investment policy by December 31, 2007. This policy shall include, at minimum, goals to (1) promote conservation of natural resources used in buildings owned by the board, (2) increase the use of renewable fuels and power sources in buildings owned by the board, and (3) promote the adoption of comprehensive environmental design goals. Further, SB 0517 requires each affected board to submit to the General Assembly and Governor an annual report summarizing the progress achieved toward fulfilling its environmental real estate investment policy.

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