

1 HOUSE JOINT RESOLUTION

2 WHEREAS, In 1980, the General Assembly authorized the
3 Teachers' Retirement System of the State of Illinois (TRS) to
4 establish a health insurance program for benefit recipients
5 and their dependents, with annuitants paying 50% of the cost;
6 and

7 WHEREAS, In 1991, the General Assembly authorized TRS to
8 increase the subsidy from 50% to 75% to achieve closer parity
9 with State retirees' health insurance premiums; and

10 WHEREAS, In 1995, the General Assembly transferred the
11 health insurance program from TRS to the State of Illinois,
12 to be administered by the Department of Central Management
13 Services (CMS), and established the Teachers' Retirement
14 Insurance Program (TRIP); and

15 WHEREAS, The General Assembly reduced the premium subsidy
16 for the traditional indemnity plan from 75% to 50%; and

17 WHEREAS, The General Assembly mandated that active
18 teachers pay 0.50% of their salary to help finance the CMS
19 program; and

20 WHEREAS, The General Assembly mandated the State of
21 Illinois to match the contributions of the active teachers to
22 help finance the CMS program; and

23 WHEREAS, The Illinois Economic and Fiscal Commission
24 reported in November of 2000 that current revenues would not
25 be able to fund the current TRIP, with a shortfall of \$9.3
26 million by the end of fiscal year 2002; and

27 WHEREAS, The Illinois Economic and Fiscal Commission
28 updated its report in April of 2001, increasing the shortfall
29 to \$37.6 million by the end of fiscal year 2002; and

30 WHEREAS, TRS has hired a health insurance actuary to

1 provide an independent review of the current TRIP funding
2 status and an analysis of TRIP's projected financial needs,
3 along with possible alternative scenarios; and

4 WHEREAS, The Illinois Economic and Fiscal Commission
5 identified 4 possible funding sources for increasing TRIP
6 funding: retiree premiums, active teacher contributions,
7 State contributions, and a new contribution requirement for
8 school districts; and

9 WHEREAS, CMS has proposed an increase to 70% for
10 annuitant and dependent premiums; therefore be it

11 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
12 NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
13 SENATE CONCURRING HEREIN, that the Governor reduce the 70%
14 proposal by the Department of Central Management Services to
15 a level similar to previous years' increases; and be it
16 further

17 RESOLVED, That a TRIP Funding Task Force be established,
18 composed of 3 members appointed by the President of the
19 Senate, 3 members appointed by the Minority Leader of the
20 Senate, 3 members appointed by the Speaker of the House, 3
21 members appointed by the Minority Leader of the House, one
22 member appointed by the Illinois Retired Teachers
23 Association, one member appointed by the Illinois Education
24 Association, one member appointed by the Illinois Federation
25 of Teachers, 2 members appointed by the Illinois Statewide
26 School Management Alliance, and the Director of Central
27 Management Services or his or her designee, to study the
28 current funding shortfall and to report its recommendations
29 on a solution to the General Assembly on or before November
30 1, 2001; and be it further

31 RESOLVED, That suitable copies of this resolution be
32 delivered to the Governor, the Illinois Retired Teachers

1 Association, the Illinois Education Association, the Illinois
2 Federation of Teachers, the Illinois Statewide School
3 Management Alliance, and the Director of Central Management
4 Services.