

1 AMENDMENT TO HOUSE JOINT RESOLUTION 37

2 AMENDMENT NO. _____. Amend House Joint Resolution 37 by
3 replacing everything after the title with the following:

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

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

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

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

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

1 WHEREAS, The General Assembly mandated the State of
2 Illinois to match the contributions of the active teachers to
3 help finance the CMS program; and

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

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

11 WHEREAS, TRS has hired a health insurance actuary to
12 provide an independent review of the current TRIP funding
13 status and an analysis of TRIP's projected financial needs,
14 along with possible alternative scenarios; and

15 WHEREAS, The Illinois Economic and Fiscal Commission
16 identified 4 possible funding sources for increasing TRIP
17 funding: retiree premiums, active teacher contributions,
18 State contributions, and a new contribution requirement for
19 school districts; and

20 WHEREAS, CMS has proposed an increase to 70% for
21 annuitant and dependent premiums; and

22 WHEREAS, The State's public education system encompasses
23 downstate and suburban as well as Chicago public schools; and

24 WHEREAS, The General Assembly has declared that it is its
25 goal and intention to contribute to the Public School
26 Teachers' Pension and Retirement Fund of Chicago an amount
27 that is between 20% and 30% of the State's annual funding for
28 the downstate and suburban Teachers' Retirement System (found
29 in the Illinois Compiled Statutes at 40 ILCS 5/17-127); and

30 WHEREAS, This statutory funding directive is founded upon

1 both historical practice and equitable principles; and

2 WHEREAS, During the current fiscal year, the State is
3 contributing to the Public School Teachers' Pension and
4 Retirement Fund of Chicago an amount only equal to 9% of the
5 funding provided to the Teachers' Retirement System, and far
6 below the minimum statutory goal; and

7 WHEREAS, For equitable reasons, as well as reasons of
8 financial need, the State's underfunding of the Public School
9 Teachers' Pension and Retirement Fund of Chicago is an issue
10 that should be addressed and corrected; and

11 WHEREAS, It is therefore appropriate to consider the
12 funding concerns of TRIP in the context of the funding needs
13 of the Public School Teachers' Pension and Retirement Fund of
14 Chicago; therefore, be it

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

21 RESOLVED, That a TRIP Funding and Chicago Teachers'
22 Retirement System Task Force be established, composed of 3
23 members appointed by the President of the Senate, 3 members
24 appointed by the Minority Leader of the Senate, 3 members
25 appointed by the Speaker of the House, 3 members appointed by
26 the Minority Leader of the House, one member appointed by the
27 Illinois Retired Teachers Association, one member appointed
28 by the Illinois Education Association, one member appointed
29 by the Illinois Federation of Teachers, one member appointed
30 by the Chicago Teachers Union, 2 members appointed by the
31 Chicago Board of Education, 2 members appointed by the
32 Illinois Statewide School Management Alliance, and the

1 Director of Central Management Services or his or her
2 designee, to study the current funding shortfall of TRIP as
3 well as the financial and equitable needs of the Public
4 School Teachers' Pension and Retirement Fund of Chicago for
5 additional State funding, and to report its recommendations
6 on a solution to the General Assembly on or before November
7 1, 2001; and be it further

8 RESOLVED, That suitable copies of this resolution be
9 delivered to the Governor, the Illinois Retired Teachers
10 Association, the Illinois Education Association, the Illinois
11 Federation of Teachers, the Chicago Teachers' Union, the
12 Chicago Board of Education, the Illinois Statewide School
13 Management Alliance, and the Director of Central Management
14 Services.".