



Teachers' Retirement System of the State of Illinois

MINUTES Legislative Committee Meeting February 24 & 26, 2010

A meeting of the Legislative Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on February 24 and 26, 2010 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Jan Cleveland, Chair, called the meeting to order at 11:20 a.m. A quorum was present.

Present: **Committee Members:**
 Jan Cleveland, Chair
 Cinda Klickna, Vice Chair
 Bob Lyons
 Sid Marder
 Molly Phalen

Present: **Trustees:**
 Marcia Boone
 Sharon Leggett
 Cynthia O'Neill

TRS Staff:

Stan Rupnik, Acting Exec. Director /CIO
Tom Gray, General Counsel
Cynthia Fain, Sr. Asst. General Counsel
Stacy Smith, Director of Internal Audit
Kathleen Farney, Director of Research
Gina Larkin, Director of Human Resources
Sally Sherman, Director of Member Services

Tassi Maton, Director of Inv. Operations
Rich Frankenfeld, Director of Outreach
Melissa Oller, Internal Auditor
Sue Billington, Executive Assistant
Tammy Green, Asst. to Exec. Director
Jana Bergschneider, Director of Admin.

Counsel - Cavanagh & O'Hara:

Patrick O'Hara

Legislative Consultant:

Andrew Bodewes

APPROVAL OF MINUTES

A draft of the minutes from the December 9, 2009 Legislative Committee was sent to members of the committee for review. On a motion by Molly Phalen, seconded by Cinda Klickna, and by unanimous voice vote, the minutes were approved as printed.

Teachers' Retirement Insurance Program (TRIP)

As part of the state's "going green" efforts, Central Management Services will not be mailing Benefit Choice booklets this year. The information will be available on the CMS Web site, www.benefitschoice.il.gov. TRS has been encouraging CMS to further review this new method since a majority of TRIP recipients may not have access to a computer. Sally Sherman, Director of Member Services, noted that CMS agreed to mail an insert that will provide a synopsis of the changes to the TRIP plan. TRS will have 900 benefit enrollment booklets available upon request. TRS will continue to work with CMS during this transition.

LEGISLATIVE UPDATE

House Bill 5059 – Bans investment in certain derivatives

A motion was made by Molly Phalen, seconded by Bob Lyons, that the committee recommend to the Board to oppose House Bill 5059 which bans investments in certain derivatives. The motion passed by a unanimous voice vote. The bill has a significant impact to the System.

House Bill 5418 – Creates a two-tiered pension program

The bill creates a two-tiered pension plan and reduces retirement benefits applicable to persons hired on or after August 1, 2010. A motion was made by Molly Phalen, seconded by Cinda Klickna, that the committee recommend to the Board to oppose House Bill 5418. The trustees deliberated on the specifics of the bill and discussed whether the bill could have an impact on the System. Following a lengthy discussion, Trustee Lyons called the question. The motion to recommend to the Board to oppose this bill passed by a voice vote with Trustee Marder voting in opposition of this recommendation.

RECESS

The meeting recessed at 1:15 p.m. and reconvened on February 26th at 8:00 a.m.

Andrew Bodewes, Legislative Consultant, provided a status update of HB 5418 noting that the sponsor is not moving the bill until further conversations take place with interested groups. In light of this information, Trustee Phalen moved to reconsider the committee's vote of opposition. The motion to reconsider was seconded by Trustee Klickna and passed by a unanimous voice vote. Trustee Phalen withdrew the motion of recommendation to the Board to oppose the bill. No further action was taken.

Legislation of interest to TRS that has been introduced into the 96th General Assembly is on file.

ADJOURNMENT

On a motion by Molly Phalen, seconded by Cinda Klickna, and by unanimous vote, the meeting adjourned at 8:49 a.m.

Stan Rupnik, Acting Executive Director

Approved _____
(date)