



## State Universities Annuitants Association

### MINI BRIEFING

April 1, 2009

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Yes, it is April Fools Day, but there is no fooling around in Springfield!

#### *Through the Roof . . .*

The past week in Springfield was filled with facts, figures, vagueness, additional ambiguousness, and even more confusion. As Rep. Will Davis

stated at the Center for Tax and Budget Accountability's Symposium on Monday, "they are talking (Senator Cullerton and Speaker Madigan), but what are they talking about? What is it doing for us?" In fact, there is a lot of talk coming from all different directions but not much indication of how issues will be settled.

There are shell bills awaiting content. The number will ultimately be able to hold content of just about any issue that has not surfaced as yet. Interestingly, Senator Cullerton is the chief sponsor of many of those bills in the Senate and he and Senator Harmon are picking up others coming from the House. The bills awaiting budget content will likely not show until the end of April or first of May. Another bill awaiting an unveiling is the new content of SB750. Word has it that the proposals in the content are of better value to the public than the Governor's offerings. A 238 page amendment for SB750 hit the scrap pile recently; fine tuning again. This bill, while having been around for a number of years, will have a good chance of passing this year.

This is the week that is quite important for bills that made it out of their assigned committees. All bills must be out of their originating house by Friday, April 3. If the bills are held it most likely means that the bill will probably not be seen again until the next session. However, there are those shell bills that would allow certain issues to regain life.

The Taxpayers' Advisory Board, set up by Governor Quinn, has been engaged. This is most important to note because this Board is to make recommendations regarding the cost side of state government; how does the State spend its money and where can cost reductions be found. The board of 25 (and growing) was divided into sub-committees: Services, **Employee Benefits**, Medicaid, Education, Human Services, Government Operations A & B. The Board has until May 22<sup>nd</sup> to submit its recommendations. Note: May 22<sup>nd</sup> is the Friday before Memorial Day and right before the last week of the 96th legislative session. Adjournment is scheduled for May 31 (a Sunday). In between, another full meeting of the Board will be held on April 28<sup>th</sup>.

The Senate Committee on Deficit Reduction provided its report on March 25. The 316 pages of content can be found at <http://www.ilga.gov/senate/Committees/DeficitReduction/DeficitReductionFINAL.pdf>. The comments and testimony are diverse. It seems that no formal agreements were found. However, this is another document that will be part of the on-going discussion to reduce spending. Providing testimonies on March 17 under the pension topic were: Eden Martin, president of the Civic Committee of The Commercial Club of Chicago; The Civic Federation; The Taxpayers' Federation of Illinois; Center for Tax and Budget Accountability; and AFSCME.

Another committee that has provided much attention is the Joint Committee on Government Reform. The subject matter on March 24<sup>th</sup> was Procurement and Pension Board Reforms (Part I & II). Topics included: pension board of trustee oversight; requirements for merging investment managers; consultant contracts for pension boards; competitive bidding requirements; oversight of purchasing; public disclosure by contractors; Procurement Policy Board. One result from this committee will be how the SURS pension board is selected (see next page). All testimony can be found on the General Assemblies Website or by clicking the link below.  
<http://www.ilga.gov/joint/Documents.asp?HouseCommitteeID=786&SenateCommitteeID=787&Description=Joint%20Committee%20on%20Government%20Reform>



For those of you who are currently staff members at a community college or state university, you do need to be aware that in the Governor's budget is his opportunity to change your pension benefit. At first it was deemed that only new hires would be affected, but we now know for sure that the intent is for all public employees to contribute an additional 2% of income into your allowable pension. This means a 2% decrease in your paycheck/salary. There is no other way to say it. The State will not be providing an increase in salary for the additional contribution from your salary. It goes without saying that the State's responsibility to fund your pension will be lowered. How does this affect your pension over time? How many additional years will you need to work? How does this affect your ability to retire now? How does this affect your ability to pay your bills now? These issues are worth taking a look at regardless of the number of years you have in the pension system.

Healthcare Benefits are also on the chopping block. Many of you are already know the affects to you personally because of the State's inability to pay healthcare providers in a timely manner. If you are living out-of-state you might be suffering even more than those in-state. Many of our members have been dunned for healthcare costs due to the late insurance claim payments by the state. The ability to pay in-state providers is running six months behind. Out-of-state providers are having collection agencies call the patients to provide payment. This, of course, affects an individual's credit rating. Unfair to all involved. This could even mean denied services.

The Governor and the Comptroller has provided figures of \$11.5 Billion in the State's Budget Deficit. But, the real figure is at least \$12.4 Billion. Looks like it could grow even more. Why? Because the State is not receiving the revenue based on the previous budget. Invoices were held over from last year and the year before and the year before, etc. to make it appear that the State has a balanced its budget. In a recession there is definitely a trickle down affect. However, it doesn't mean that State employees should be the only ones to help fund the deficit. What can be done in a very short time?

Plan to come to the Rally Day now scheduled for Wednesday, April 22<sup>nd</sup>. There will be some changes made from previous years. There will be no big tent. Everyone is to assemble on Second Street in front of the Lincoln statute which is located on the East side of the Capitol at 10:30 a.m. There will be posters, postcards, Fact Sheets and a few speakers. Even Governor Quinn has been asked to address the group. Universities are now sending busses to this event. We encourage you to gather the facts, make noise and join us as we look for at least 2,000 of you to participate. We also would ask that for those of you who cannot attend, that you make calls to your legislators, visit your legislators and help them to understand the unfairness of the Governor's proposals. Fact Sheets/Talking Points will be provided on the SUAA website for those of you who cannot make it to Springfield on April 22<sup>nd</sup>. Also for those of you planning to attend, please make sure to secure appointments with your legislators.

More information is forthcoming. Let the office know who will need a ride. Bring carloads if there isn't a bus available. SUAA will be providing some assistance for attendees.



The legislators will be on Spring Break from April 6 until April 21. This gives us only a bit of time for everyone to ready themselves for the Rally. Some will be calling it "Advocacy Day". Call this day whatever you want as long as it gets you involved!

**A two tiered pension system** isn't going to be a cake walk. It isn't going to attract the best of the best to work for the State of Illinois. In fact, when the recession is over, people will

