



## **ILLINOIS POLICE OFFICERS’ PENSION INVESTMENT FUND**

### **I. LEGISLATURE ADJOURNS SPRING SESSION**

- a. The Illinois General Assembly has officially adjourned the Spring legislative session. On Saturday, May 27, 2023 around 3:30 am the Illinois House of Representatives adjourned after a robust floor debate on the budget. On May 26<sup>th</sup>, the Senate concluded their business, voting on the FY 2024 budget around 1:30 am. Despite not being able to adjourn on the self-imposed May 19<sup>th</sup> deadline, the legislature was able to conclude its business before the traditional May 31<sup>st</sup> deadline. This is the second year in a row the legislature has committed to a truncated schedule. Last year the legislature adjourned in early April.

### **II. WHAT’S NEXT?**

- a. The Illinois General Assembly passed a total of 565 bills this legislative session. Those bills involve: Drones As First Responders, Medicaid, Toll Lanes on I-55, Elections, recreational prosthetics and orthotics, gaming, juvenile court fees, red light camera regulations, the creation of a state health exchange, bond authorization, budget implementation bill and much more. The legislature has 30 days to present a bill to the Governor, and the Governor has 60 days after receiving the bill to sign, veto, or issue an amendatory veto. The legislature very rarely passes bills where the Governor has indicated he will issue a veto, but one particular energy bill (HB 3445) has invoked the ire of the Illinois Attorney General, various environmental groups, and the Illinois Commerce Commission.
  - i. The FY 2024 Budget (SB 250) will begin on July 1. The State is projected to have around \$50.7 billion dollars in revenue from a combination of personal income tax, corporate income tax, and state sales tax. A significant portion of the money will be allotted for ARC pension payments, debt service on bonds, and payments to the state employee health and Medicaid programs.
    1. Of significance – an additional \$200 million will be spent towards paying down the State’s pension unfunded liability.
    2. Key areas of the budget involving \$75 million increase for early education childhood block grant at the Illinois State Board of Education, \$53.5 million for public health emergency preparedness, \$100 million MAP grants, \$550 million Medicaid for undocumented migrants (adults), \$85 million homelessness, \$112 million LDGF, and \$250 million

for youth services and violence prevention programs were front in center in the debate over the budget.

### III. SUPREME COURT TO HEAR PENSION CONSOLIDATION CASE

- a. On May 24, 2023, the Illinois Supreme Court permitted Plaintiff Pension Funds to file a petition for Leave to Appeal in the pension consolidation challenge. The decision by the state's Supreme Court follows the February ruling by an Illinois appellate court that the consolidated funds, the \$9 billion IPOPIF and the \$7.2B IFPIF, are constitutional. At the center of the issue is the constitutional right of participants to control and manage their assets. During a contentious and robust debate made by police and fire pension members, municipal leaders and other vested stakeholders, the pension consolidation law passed in May of 2019. It is unknown when the Supreme Court will next take action on this matter.

### IV. IPOPIF LEGISLATIVE AGENDA – STATUS UPDATE

- a. **SB 2100 (IPOPIF Technical Corrections)** – Chief Sponsor Senate Special Committee on Pension Chairman Robert Martwick and House Personnel and Pensions Committee Member Daniel Didech, Chairwoman Stephanie Kifowit, Committee Member Janet Yang Rohr
  - i. **PASSED** Both Houses on May 11, 2023
  - ii. Currently awaiting Governor's Signature
- b. **SB 2102 (DOI AUDITS – IPOPIF OPPOSED)** - Chief Sponsor Senate Special Committee on Pensions Chairman Robert Martwick, Senator Dave Syverson and House Assistant Majority Leader Natalie Manley
  - i. **FAILED**
  - ii. Re-referred back to House Rules Committee
- c. **HB 3817 (Budget Implementation Bill – BIMP)** – Chief Sponsor Senate Majority Caucus Appropriations Leader Elgie Sims and House Speaker Pro Tempore Jehan Gordon-Booth
  - i. **PASSED** Both Houses on May 27, 2023
  - ii. New Language – Sec.1A-112 Fees: Effective July 1, 2023, each pension fund established under Article 3 or 4 of this Code shall pay an annual compliance fee of at least .02% but not more than .05% of the total assets of the pension fund, as reported in the most current annual statement of the fund, to the Department of Insurance unless the approximate Consolidated Fund agrees to conduct an audit or examination of all pension funds as provided in Sec. 1A-104. The Department shall have the discretion to set the annual compliance fee to be paid by each pension fund to cover the cost of the compliance audits. The Department shall provide written notice to each Article 3

- and 4 pension fund of the amount of the annual compliance fee due not less than 60 days prior to the fee payment deadline.
- iii. Currently awaiting Governor's Signature

**V. UNRESOLVED LEGISLATIVE ISSUES**

- a. Open Meetings Act – Remote Meetings
  - i. Please supplemental report for a list of OMA -remote meetings bills that have been re-referred back to Senate Assignments or House Rules committees.
- b. Ethics Reform – anti-corruption
- c. Energy
- d. Pension Benefit Fixes
  - i. Tier 2
  - ii. Chicago Police birthdate restriction removal
  - iii. Chicago Fire and Chicago Police Downstate Reciprocity

**VI. TRACKED BILL(S) – STATUS UPDATE**

- a. Please see \*Updated\* supplemental 20-page Report

**VII. FALL VETO SESSION SCHEDULE**

- a. The House & Senate have published their 2023 Veto session schedules.
- b. Both chambers will meet the following days:

- Tuesday, October 24, 2023
- Wednesday, October 25, 2023
- Thursday, October 26, 2023

- Tuesday, November 7, 2023
- Wednesday, November 8, 2023
- Thursday, November 9, 2023