



MINUTES

**Meeting of the Legal & Legislative Committee
of the Board of Trustees of the
State Universities Retirement System
9:45 a.m., Friday, December 11, 2015
The Northern Trust
50 South LaSalle Street, Global Conference Center
Chicago, Illinois 60603**

The following Trustees were present: Ms. Lindsay Anderson, Chair; Mr. Aaron Ammons, Mr. Dennis Cullen, Dr. John Engstrom, Dr. Fred Giertz, Mr. Francis Idehen Jr., Mr. Paul R.T. Johnson Jr., Mr. Craig McCrohon, Ms. Dorinda Miller, Dr. Steven Rock, Mr. Antonio Vasquez (via conference call).

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Andrew Matthews, Chief Operating Officer; Mr. Daniel Allen, Chief Investment Officer; Ms. Bianca Green, General Counsel; Mr. Steve Hayward, Director of Internal Audit; Ms. Allison Kushner, Compliance and Governance Officer; Ms. Kristen Houch, Legislative Liaison; Ms. Lori Kern and Ms. Monique Cullotta, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Ms. Patti Somerville-Koulouris of the Northern Trust Company; and Ms. Linda Brookhart of State Universities Annuitants' Association.

Legal & Legislative Committee roll call attendance was taken. Trustee Anderson, present; Trustee Giertz, present; Trustee Rock, present.

Per the motion approved at the Audit Committee meeting on December 11, 2015, Trustee Antonio Vasquez is allowed to participate via conference call for all meetings on December 11, 2015, pursuant to Section 7(c) of the Open Meetings Act.

APPROVAL OF MINUTES

Trustee Lindsay Anderson presented the Minutes from the Legal and Legislative Committee meeting of September 11, 2015, and Trustee Anderson made the following motion:

- That the Minutes from the September 11, 2015, Legal and Legislative Committee meeting be approved, as presented.

Trustee Francis Idehen seconded and the motion carried with all Trustees present voting in favor.

CHAIRPERSON'S REPORT

Trustee Anderson indicated that she did not have a formal Chairperson's Report at this time.

LEGISLATIVE UPDATE

Ms. Kristen Houch provided an overview of the schedule and key dates for the 2016 session.

Ms. Houch informed the Committee that Subsection (c) of Section 1-103.3 of the Illinois Pension Code requires the Commission on Government Forecasting and Accountability ("COGFA") to consult with the state-funded retirement systems and the Governor's Office of Management and Budget every five years on the appropriateness of the 90% funding target. Additionally, subsection (c) of Section 1-103.3 requires this consultation to culminate in a report issued by COGFA to the Governor and the General Assembly. Ms. Houch stated that, for the last report, SURS submitted a letter to COGFA in conjunction with the other state-funded retirement systems advocating that the funding target be raised to 100%. Ms. Houch recommended that SURS submit a similar joint letter, with evidence backed by the State Actuary to COGFA and the General Assembly for the report issued by COGFA in 2016.

Trustee John Engstrom made the following motion:

- That a letter is submitted to COGFA and the General Assembly recommending that the funding target is raised to 100%.

Trustee Dennis Cullen seconded and the motion carried with all Trustees present voting in favor.

Ms. Mary Patricia Burns summarized the status of recent legal actions related to the topic of pension reform, and Ms. Burns and Ms. Houch discussed the status of potential legislative proposals related to pension reform. Trustees concluded the discussion by briefly reiterating the historical legislative positions adopted by the Board.

The 2016 Senate session calendar is incorporated as a part of these Minutes as [Exhibit 1](#).

The 2016 House of Representatives session calendar is incorporated as a part of these Minutes as [Exhibit 2](#).

Important Dates for the 2016 regular session are incorporated as a part of these Minutes as [Exhibit 3](#).

RULEMAKING UPDATE

Approval of the January 2016 Regulatory Agenda

Ms. Bianca Green presented the draft January 2016 Regulatory Agenda for approval. She noted that twice each year, in January and July, a regulatory agenda must be filed with the Secretary of State's Office in Springfield.

Trustee John Engstrom moved:

- That the January 2016 Regulatory Agenda be approved and presented.

Trustee Steven Rock seconded and the motion carried with all Trustees present voting in favor.

State Universities Retirement System January 2016 Regulatory Agenda is incorporated as a part of these Minutes as [Exhibit 4](#).

Status of External Lobbyist Search

Ms. Houch and Mr. Bryan Lewis presented the legislative consultant search to the Committee, as the contracts for the current legislative consultants expire during the middle of the 2016 session. Mr. Lewis outlined the process for the search and provided a timeline for a recommendation to the Board of Trustees. In response to questions from Trustees, Chairwoman Anderson and Ms. Mary Patricia Burns explained the recent history of searches, hires, and performance evaluation criteria utilized by the Board of Trustees for legislative consulting services. The Executive Committee plans to review the responses to the RFP and make a recommendation to the full Board of Trustees.

Trustee Paul R.T. Johnson Jr. moved:

- That a search be conducted for a legislative consultant.

Trustee Steven Rock seconded and the motion carried with all Trustees present voting in favor.

PUBLIC COMMENT

There were no public comments presented to the Legal and Legislative Committee.

Since there was no further business before the Committee, Trustee Johnson moved that the meeting be adjourned. The motion was seconded by Trustee Cullen and carried with all Trustees present voting in favor.

Respectfully submitted,



Mr. W. Bryan Lewis
Secretary, Board of Trustees

2016



JANUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 NEW YEAR'S DAY STATE HOLIDAY	2
3	4	5	6	7	8	9
10	11	12	13 SESSION	14 SESSION	15	16
17	18 MARTIN LUTHER KING JR. DAY STATE HOLIDAY	19	20	21	22 DEADLINE <i>Senate LRB Requests</i>	23
24 31	25	26	27 SESSION STATE OF THE STATE	28 SESSION	29	30

IMPORTANT DATES

January 22 - DEADLINE - Senate LRB Requests

January 27 - State of the State

2016



FEBRUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10 SESSION ASH WEDNESDAY	11 SESSION	12 LINCOLN'S BIRTHDAY STATE HOLIDAY	13
14 VALENTINE'S DAY	15 PRESIDENTS' DAY STATE HOLIDAY	16 SESSION	17 SESSION GOVERNOR'S BUDGET ADDRESS	18 SESSION	19 DEADLINE <i>Introduction of Substantive Senate Bills</i>	20
21	22	23	24	25	26	27
28	29					

IMPORTANT DATES

February 17 - Governor's Budget Address

February 19 - DEADLINE - Introduction of Substantive Senate Bills

2016



MARCH

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 SESSION	2 SESSION	3 SESSION	4	5
6	7	8 SESSION	9 SESSION	10 SESSION	11	12
13 DAYLIGHT SAVINGS BEGINS	14	15 PRIMARY ELECTION	16 SESSION	17 SESSION ST. PATRICK'S DAY	18 SESSION	19
20 PALM SUNDAY	21	22	23	24	25 GOOD FRIDAY	26
27 EASTER	28	29	30	31		

IMPORTANT DATES

March 15 - Primary Election

2016



APRIL

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5 SESSION	6 SESSION	7 SESSION	8 SESSION DEADLINE <i>Substantive Senate Bills Out of Committee</i>	9
10	11	12 SESSION	13 SESSION	14 SESSION	15	16
17	18 SESSION PM	19 SESSION	20 SESSION	21 SESSION	22 SESSION DEADLINE <i>Third Reading Substantive Senate Bills</i> PASSOVER BEGINS	23
24	25	26	27 ADMINISTRATIVE PROFESSIONAL DAY	28	29	30 PASSOVER ENDS

IMPORTANT DATES

April 8 - DEADLINE - Substantive Senate Bills out of Committee
 April 22 - DEADLINE - Third Reading Substantive Senate Bills

2016



MAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3 SESSION	4 SESSION	5 SESSION CINCO DE MAYO	6 SESSION	7
8 MOTHER'S DAY	9	10 SESSION	11 SESSION	12 SESSION	13 SESSION DEADLINE <i>Substantive House Bills Out of Committee</i>	14
15	16	17 SESSION	18 SESSION	19 SESSION	20 SESSION	21
22	23 SESSION PM	24 SESSION	25 SESSION	26 SESSION	27 SESSION DEADLINE <i>Third Reading Substantive House Bills</i>	28 SESSION
29 SESSION	30 SESSION MEMORIAL DAY STATE HOLIDAY	31 SESSION ADJOURNMENT				

IMPORTANT DATES

- May 13 - DEADLINE - Substantive House Bills out of Committee
- May 27 - DEADLINE - Third Reading Substantive House Bills
- May 31 - ADJOURNMENT



January 2016

IMPORTANT DATES

22—Deadline —LRB requests
27—State of State

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1 <i>New Year's Day</i> STATE HOLIDAY	2
3	4	5	6	7	8	9
10	11 Perfunctory <u>SESSION</u>	12	13 <u>SESSION</u> S	14 <u>SESSION</u> S	15 Perfunctory <u>SESSION</u>	16
17	18 <i>Martin Luther King Jr. Day</i> STATE HOLIDAY	19	20 Perfunctory <u>SESSION</u>	21	22 Perfunctory <u>SESSION</u> HOUSE DEADLINE LRB—Requests	23
24	25	26 Perfunctory <u>SESSION</u>	27 <u>SESSION</u> Governor's State of State S	28 <u>SESSION</u> S	29	30
31						

February 2016

IMPORTANT DATES

11—Deadline — Introduction of House Bills
17—Budget Address

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 Perfunctory <u>SESSION</u>	2	3	4	5 Perfunctory <u>SESSION</u>	6
7	8 Perfunctory <u>SESSION</u>	9	10 <u>SESSION</u> <i>Ash Wednesday</i> S	11 <u>SESSION</u> DEADLINE Intro. of House Bills S	12 <i>Lincoln's Birthday</i> STATE HOLIDAY	13
14 <i>Valentine's Day</i>	15 <i>Presidents' Day</i> STATE HOLIDAY	16 <u>SESSION</u> S	17 <u>SESSION</u> Governor's Budget Address S	18 <u>SESSION</u> S	19 Perfunctory <u>SESSION</u>	20
21	22	23	24	25	26	27
28	29					

March 2016

IMPORTANT DATES

15—Primary Election

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 <u>SESSION</u> S	2 <u>SESSION</u> S	3 <u>SESSION</u> S	4	5
6	7	8 S	9 S	10 S	11	12
13 <i>Daylight Savings Time Begins</i>	14	15 Primary Election	16 S	17 <i>St. Patrick's Day</i> S	18 S	19
20 <i>Palm Sunday</i>	21	22	23	24	25 <i>Good Friday</i>	26
27 <i>Easter</i>	28	29	30	31		

S – Senate in Session



IMPORTANT DATES

8—Deadline —
Committee Substantive
House Bills

22—Deadline —Third
Reading House Bills

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4 <u>SESSION</u>	5 <u>SESSION</u>	6 <u>SESSION</u>	7 <u>SESSION</u>	8 <u>SESSION</u>	9
		S	S	S	S DEADLINE -Committee Substantive HBs	
10	11	12 <u>SESSION</u>	13 <u>SESSION</u>	14 <u>SESSION</u>	15 <u>SESSION</u>	16
		S	S	S		
17	18 <u>SESSION</u>	19 <u>SESSION</u>	20 <u>SESSION</u>	21 <u>SESSION</u>	22 <u>SESSION</u>	23
	S	S	S	S	S DEADLINE-3rd Reading HB's Passover Begins	
24	25	26	27 <i>Administrative Professional Day</i>	28	29	30 <i>Passover Ends</i>

IMPORTANT DATES

13—Deadline —
Committee Senate Bills

27—Deadline – Third
Reading Senate Bills

31—Adjournment

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3 <u>SESSION</u>	4 <u>SESSION</u>	5 <u>SESSION</u>	6	7
		S	S	S	S	
8 <i>Mother's Day</i>	9	10 <u>SESSION</u>	11 <u>SESSION</u>	12 <u>SESSION</u>	13 <u>SESSION</u>	14
		S	S	S	S DEADLINE Committee SB's	
15	16	17 <u>SESSION</u>	18 <u>SESSION</u>	19 <u>SESSION</u>	20 <u>SESSION</u>	21
		S	S	S	S	
22	23 <u>SESSION</u>	24 <u>SESSION</u>	25 <u>SESSION</u>	26 <u>SESSION</u>	27 <u>SESSION</u>	28 <u>SESSION</u>
	S	S	S	S	S DEADLINE 3rd Reading SB's	S
29 <u>SESSION</u>	30 <u>SESSION</u> <i>Memorial Day STATE HOLIDAY</i>	31 <u>SESSION</u> ADJOURNMENT				
S	S	S				

S – Senate in Session

Important Dates for the Regular 2016 Session:

- January 22nd – Deadline for LRB Requests (Both Chambers)
- January 27th – Governor’s State of the State Address
- February 11th – House Deadline for the Introduction of House Bills
- February 17th – Governor’s Fiscal Year 2017 Budget Address
- February 19th – Senate Deadline for the Introduction of Substantive Senate Bills
- March 15th – Primary Election
- April 8th – Committee Deadline for Substantive Bills in the First Chamber (Both Chambers)
- April 22nd – Third Reading Deadline for Substantive Bills in the First Chamber (Both Chambers)
- May 13th – Committee Deadline for Substantive Bills in the Second Chamber (Both Chambers)
- May 27th – Third Reading Deadline for Substantive Bills in the Second Chamber (Both Chambers)
- May 31st – Session Adjournment (Both Chambers)

ILLINOIS REGISTER

STATE UNIVERSITIES RETIREMENT SYSTEM

JANUARY 2016 REGULATORY AGENDA

a) Part(s) (Heading and Code Citations): Universities Retirement (80 Ill. Adm. Code 1600)

1) Rulemaking:

A) Description: The System anticipates rulemaking affecting the following:

Revise Section 1600.130 Procurement to modify existing procedures.

Revise Section 1600.205 Earnings Subject to Withholding and Crediting to address compensation paid under the Public Employee Disability Act (5 ILCS 345/) and unused sick leave paid at the time of termination of employment.

Revise Section 1600.300 Effective Beneficiary Designations to address electronic execution and submission of beneficiary designation forms.

Revise Section 1600.320 Disability Claims Procedure to clarify the treatment of vacation pay with respect to initial eligibility for benefit payments.

Revise Section 1600.420 Making Preliminary Estimated Payments to include procedures for holding payments when the member has not responded to informational requests, and to terminate the benefit after a period of non-compliance with the request.

Revise Section 1600.450 Overpayment Recovery to address *de minimis* revisions to benefit calculations and deductions for overpayments of less than \$100.

Promulgate rules to establish acceptable documentary evidence for demographic information such as birth dates and marital status.

B) Statutory Authority: Article 15 of the Illinois Pension Code, 40 ILCS 5/15-177.

C) Scheduled meeting/hearing dates: Written comments may be submitted during the 45-day public comment period following publication of the proposed rule in the *Illinois Register*. No public hearings are anticipated.

D) Date agency anticipates First Notice: Spring 2016

ILLINOIS REGISTER

STATE UNIVERSITIES RETIREMENT SYSTEM

JANUARY 2016 REGULATORY AGENDA

E) Effect on small businesses, small municipalities or not for profit corporations: None

F) Agency contact person for information:

Bianca T. Green, General Counsel
State Universities Retirement System
1901 Fox Drive
Champaign, IL 61820

Telephone (217) 378-8825

Email: bgreen@surs.org

Fax: (217) 378-9801

G) Related rulemakings and other pertinent information: Other Amendments may be necessary based on emergent issues.