



MINUTES

**Meeting of the Legal & Legislative Committee
of the Board of Trustees of the
State Universities Retirement System
10:00 a.m., Friday, March 13, 2015
The Northern Trust
50 South LaSalle Street, Global Conference Center
Chicago, Illinois 60603**

The following Trustees were present: Ms. Lindsay Anderson, Chair; Ms. Jacqueline Berger, Dr. John Engstrom, Mr. Paul R. T. Johnson Jr., Ms. Dorinda Miller, Mr. Craig McCrohon, Mr. Antonio Vasquez and Mr. Mitchell Vogel.

Others present: Mr. William Mabe, Executive Director; Mr. Michael Weinstein, General Counsel; Mr. Daniel Allen, Chief Investment Officer; Mr. Steve Hayward, Director of Internal Audit; Ms. Brenda Dunn, Director of Human Resources; Mr. Albert Lee, Associate General Counsel; Ms. Kristen Houch, Legislative Liaison; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Steve Zahn of Governmental Consulting Solutions; Ms. Janet Jones of Janet Jones Consulting; and Ms. Linda Brookhart of the State Universities Annuitant's Association.

Legal and Legislative Committee roll call attendance was taken. Trustee Anderson, present; Trustee Matthews, absent; Trustee McCrohon, present.

APPROVAL OF MINUTES

Trustee Lindsay Anderson presented the Minutes from the Legal and Legislative Committee meeting of December 11, 2014 and Trustee John Engstrom made the following motion:

- That the Minutes from the December 11, 2014 Legal and Legislative Committee meeting be approved, as presented.

Trustee Craig McCrohon seconded and the motion carried with all Trustees present voting in favor.

CHAIRPERSON'S REPORT

In the interest of time, Trustee Anderson deferred the Chairperson's Report.

LEGISLATIVE UPDATE, PENSION REFORM & LEGISLATIVE EVENT

Ms. Kristen Houch introduced Mr. Steve Zahn of Governmental Consulting Solutions and Ms. Janet Jones of Janet Jones Consulting. Ms. Houch and Mr. Zahn provided an update on the current House and Senate bills before the General Assembly. As of the date of the March Board meeting, at least 176 pension bills were filed. Of these bills, the majority are shell bills, or placeholders for future legislation, and less than 18% are bills with substantive language that impacts SURS. The deadline for bills to be introduced in the Senate is February 20, 2015, and February 27, 2015 to the House. The deadline for bills to get out of committee in the first chamber is March 27, 2015.

Ms. Houch and Mr. Zahn summarized publicly-available information about Governor Rauner's pension reform proposal, which the Governor estimates would save \$2.2 Billion in Fiscal Year 2016. No legislation containing the Governor's pension reform proposal has been introduced. A complete summary of Ms. Houch's "Legislative Update" is incorporated as a part of these Minutes as [Exhibit 1](#).

Ms. Houch informed the Committee that the 2015 Legislative Event will be held at the SUAA offices on April 15, 2015, from 5-7 p.m., in Springfield, Illinois. Ms. Linda Brookhart, SUAA Executive Director addressed the committee and noted that invitations for the event will be sent out soon.

RULEMAKING UPDATE

Mr. Michael Weinstein and Mr. Albert Lee gave an update on current SURS rulemaking. At the December Board meeting, the Board approved the filing of a number of rules concerning IRS qualification issues. Mr. Lee noted that those rules have been submitted for First Notice and they were published in the Illinois Register on February 20, 2015. The public comment period will end on April 6, 2015. SURS hopes to finalize the rules with JCAR and the Secretary of State by the end of May in order to meet the deadline that the IRS set for SURS.

PUBLIC COMMENT

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

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

Respectfully submitted,



Mr. William E. Mabe
Secretary, Board of Trustees

WEM:lk