



FILE
INDEX DEPARTMENT

EXECUTIVE DEPARTMENT

JUL 05 2007

SPRINGFIELD, ILLINOIS

IN THE OFFICE OF
SECRETARY OF STATE

PROCLAMATION

WHEREAS, Article XIII, Section 5 of the Illinois Constitution of 1970 requires the State to provide pension benefits to members of State-sponsored retirement systems; and

WHEREAS, The State of Illinois supports five retirement plans on behalf of State employees, university employees, teachers, judges, and members of the Illinois General Assembly; and

WHEREAS, It is the State's responsibility to provide adequate funding to support State pension liabilities so that future generations are not held responsible for current expenses; and

WHEREAS, Deferrals of the State's obligations to its annuitants contributed to an unfunded pension liability in State-sponsored systems of \$19 billion in 1995, which grew to \$43 billion in 2003, resulting in a funded ratio of 48% in 2003, the worst funded ratio of any of the fifty States and significantly under-funded in comparison to the national average of 91.1% among 101 public retirement systems, according to the 2003 Public Fund Survey conducted by the National Association of State Retirement Administrators; and

WHEREAS, Because of this crisis, unless changes are made, commitments to State employees will become a significant burden on future generations; and

WHEREAS, Annuitants of the State's benefit systems rely on the security provided by pension benefits to meet their needs, including food, housing and healthcare; and fairness requires that Illinois keep its obligations and commitments to those who have earned it and will work for it in the future; and

WHEREAS, Over the next three years, in order to meet the statutory funding formula, the State will be required to increase annual contributions to the pension systems and debt service on outstanding pension obligation bonds, reducing available State resources to fund growth in other core services provided by the State, such as education and health care, to less than \$200 million of natural revenue growth per year, representing less than one-percent growth per year in these critical areas; and

WHEREAS, Further deferrals of the State's pension liabilities will force future generations to pay billions of dollars in additional interest on the unfunded liabilities of the State between fiscal years 2008 and 2045; and

WHEREAS, The State's pension funding system is in a state of crisis, and the State will continue to unnecessarily pay billions in interest costs alone if the unfunded pension liability does not receive an immediate and significant infusion of funding; and

WHEREAS, A solution to this crisis must be adopted prior to adjournment of 2007 Spring Session of the 95th General Assembly, and this action is necessary to adequately secure existing pension obligations, reduce long-term interest costs on current

obligations, more effectively manage State funding requirements, and ensure that future new revenues will not be consumed solely by escalating pension contributions;

THEREFORE, pursuant to Article IV, Section 5 (b) of the Illinois Constitution of 1970, I hereby call and convene the 95th General Assembly in a special session to commence on July 6, 2007, at 2:00 p.m., to consider and discuss House Joint Resolution 1 of the 1st Special Session of the 95th General Assembly and/or Senate Joint Resolution 1 of the 1st Special Session of the 95th General Assembly.



ROD R. BLAGOJEVICH
Governor

Dated: July 5, 2007

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