

STATE OF ILLINOIS

EXECUTIVE DEPARTMENT

FILED
INDEX DEPARTMENT

JUN 29 2007

SPRINGFIELD, ILLINOIS

2007-228

IN THE OFFICE OF
SECRETARY OF STATE

PROCLAMATION

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

WHEREAS, many retired employees rely on these benefit plans to help pay for daily necessities, including housing and healthcare; and

WHEREAS, during his first term, Governor Blagojevich invested \$13.3 billion in the State's pension systems, which is more than any governor in Illinois' history; and

WHEREAS, the State's \$13.3 billion investment increased funding from 48% up to 60.5% of liability from Fiscal Years 2003 through 2006; and

WHEREAS, despite recent efforts, due to thirty years of underfunding the pension systems, the State of Illinois is faced with a crushing \$41 billion pension debt; and

WHEREAS, this gross underfunding will cause the debt to increase each year at a drastic rate, threatening to consume new revenues at the expense of other needs facing the State, including healthcare and education; and

WHEREAS, to adequately fund and secure pensions, reduce long-term interest costs, and more effectively manage pension obligations, the State must pay down its pension debt; and

WHEREAS, the Governor has proposed to lease the State Lottery to a private operator and to issue \$16 billion in pension obligation bonds; and

WHEREAS, the \$16 billion in pension obligation bonds would allow the State to refinance its existing pension debt, which grows at an interest rate of 8.5% annually, with a lower interest rate; and

WHEREAS, the \$16 billion in pension obligation bonds would build upon the State's \$10 billion pension obligation bond issued in 2003, which allowed the State's pension systems to increase their funding ratio over the last three years; and

WHEREAS, much work remains to address the pension underfunding in Illinois, and it is critical that the General Assembly convene to address this issue and take action to stabilize the State's pension systems;

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 5, 2007, at 12:00 p.m., to consider any legislation, new or pending, which will address the pension crisis.


ROD R. BLAGOJEVICH
Governor

Dated: June 29, 2007

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