SUAA 2022 Legislative Platform

This platform serves as a guideline for SUAA’s positions on legislation affecting pensions, health insurance, other retirement benefits for SURS participants, and the viability of the state’s higher education system.

The primary legislative goal for 2022 is protecting retirement security of all past, present, and future employees of Illinois’ public universities, community colleges and their survivors.

Through its Board of Directors and House of Delegates, SUAA will review and evaluate all proposed initiatives and legislation relating to pensions, health care and other retirement benefits, and the maintenance of a robust higher education system to determine their compatibility with the Association’s goals; and, as appropriate, will support or oppose such initiatives and legislation either in part or in their entirety.

If legislation is enacted that SUAA considers to be in violation of the pension protection clause of the Illinois Constitution, SUAA is prepared to challenge that legislation in the courts in concert with coalition partners or independently if necessary.

Context for the 2022 Legislative Action Plan

The legislature passed a balanced budget for FY 2022, but this does not mean the state has solved its fiscal problems. This budget depends heavily on federal aid resulting from the Covid crisis and listing “unspent appropriations” as savings. Unspent appropriations are dollars that while appropriated, will not actually be spent. This could mean, for example, a reduction in funds earmarked for higher education. The budget does include full funding of pension contributions, so that “pension reform” is unlikely to be a topic of interest for either the governor or the legislature. We can assume no credible legislation attacking pensions is likely at least for the next year or so. But complacency is hardly a posture we should take.

The structural deficit hidden by the influx of federal Covid dollars remains and will return as least by FY 2025 when federal funding ends. Failure to find ways of increasing state revenues and the ever-rising appropriations needed to meet the “pension ramp” continues to place stress, albeit hidden for the moment, on the state’s fiscal condition. A prudent strategy for SUAA in the short term is to continue working on policies and programs to address the inevitable fiscal crisis and renewed focus on funding obligations that is sure to come.

SUAA has positions relative to reducing pension debt and these are continued in this platform. We also continue to raise concern in this platform as to the viability of higher education in Illinois, which is suffering from high tuition fees, reduced maintenance, and drastic staff reductions. The impacts of a system which has seen its state appropriations nearly halved (in real dollars) since FY2000 are many, but we are particularly concerned about the decline in new SURS participants and attempts to restructure higher education in ways that could further politicize higher education.

The 2022 Legislative Action Plan
Protecting Pensions

SUAA supports legislation that would guarantee full funding of both the normal costs and unfunded liabilities of the SURS pension system.

SUAA opposes any effort to restructure or otherwise address the pension debt that involves a “pension holiday.”

SUAA opposes any legislative attempt to amend, modify, or eliminate Article XII, Section 5 of the Illinois State Constitution which states, “Membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.”

SUAA opposes legislation that does not provide for a continuation of the compounded annual increment for Tier I annuitants of 3% as is currently set forward in the Tier I plan.

SUAA supports legislation to revise inadequate Tier II pensions for an equitable set of benefits related to final salary period, time to vesting, automatic annual increment, and early retirement reduction. SUAA will monitor the Tier II program to determine whether it currently meets the “safe harbor provisions” of Social Security. SUAA supports legislation to revise the Retirement Savings Plan by structuring a plan that provides for participation in Social Security or, barring that, makes changes ensuring that the plan meets, at a minimum, the “safe harbor provisions” of Social Security.

SUAA opposes any legislative efforts that would have the effect of phasing out the defined benefit retirement plan for higher education personnel or the conversion of a defined benefit plan to a defined contribution plan.

SUAA opposes any pension plan, current or future, where the contributions by the (public) employer and the employee do not accrue in a state pension system.

Revenue Enhancement Measures

SUAA supports, in principle, a graduated state income tax and encourages the governor and legislature to identify ways to create a graduated system either by legislative action or constitutional amendment.

SUAA conditionally supports legislative revenue enhancement initiatives that address the state’s continuing fiscal crisis and pension debt.

SUAA supports proposals for using pension obligation bonds to pay down the pension debt either partially or fully, as well as other proposals such as a restructuring of the pension debt. It is recognized that it may take a “package” of initiatives to move the state towards full funding of its pension systems.

SUAA supports revenue enhancement measures not directly related to pension debt that address the state’s continuing fiscal crisis. These measures include, but are not limited to, expansion of the sales tax, a speculation sales tax, and the elimination of some tax breaks such as the foreign dividend exemption, offshore oil drilling credit, and retail sales tax discount.
Support for the above items and any other initiatives for increasing revenues or providing savings is contingent on ensuring that measures are structured equitably so lower income households, especially those dependent on state pensions, are protected and that a portion of all increases and/or savings be dedicated to reducing the state’s pension debt.

**Health Insurance**
SUAA supports legislation to ensure that all Illinois public university and community college employees, retirees, and survivors are treated equitably under the State Employees Health Plan and College Insurance Programs.

SUAA supports full funding for the College Insurance Plan, and SUAA opposes any reduction in coverage provided by that plan.

**Federal Legislation**
SUAA supports the repeal of the Social Security Windfall Elimination Provision and the Government Pension Offset.

**Higher Education**
SUAA opposes any legislative action that would politicize higher education through folding existing boards and commissions into the Illinois Board of Higher Education and increasing IBHE’s power by giving it the authority to alter and eliminate existing curricular offerings and set uniform admission requirements at the state’s universities and community colleges.