



News
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Retirement Security for Illinois Educators
Teachers' Retirement System of the State of Illinois
2815 West Washington Street, P.O. Box 19253
Springfield, Illinois 62794-9253

Contact: Eva Goltermann, Director of Public Information
(217) 753-0968

TRs Elected Trustees Oppose New Composition of Teacher Pension Board *Senate Bill 364 stacks board with gubernatorial appointees, terminates executive director*

SPRINGFIELD, IL-Elected trustees to the Board of Trustees of the Teachers' Retirement System of the State of Illinois (TRS) strongly oppose efforts to allow a majority of the board to be held by those appointed by the Governor, under Senate Bill 364. The bill, approved by the Illinois General Assembly today, would terminate the terms of office held by those previously appointed to the Board and increase the number of new members that can be appointed by the Governor.

The rationale presented in the Illinois House to effectively give Governor Pat Quinn control of the pension fund of Illinois teachers erroneously accused the elected members of the board of failing to prevent a corruption scheme in 2004 hatched by a former gubernatorial appointee.

"The elected trustees of the TRS Board are angry and deeply troubled by the implication that they were somehow complicit in the illegal behavior carried out by Stuart Levine, a former trustee reappointed by ex-Governor Rod Blagojevich to the TRS Board and who has pled guilty to corruption," said Bob Lyons, a TRS trustee twice-elected by annuitants of the Teachers' Retirement System following Levine's resignation.

In Levine's plea agreement, the U.S. Attorney's office says Levine intentionally concealed and failed to disclose his illegal behavior to other members of the TRS Board. "The elected trustees were the victims and now we are being accused of being accomplices. That is wrong!" Lyons said.

Even more troublesome is the provision giving the Governor the power to appoint a majority of members to the TRS Board of Trustees. "The irony is that this change in board composition could ultimately increase the potential for political influence," said Lyons.

Further, Senate Bill 364 terminates the contract of TRS executive director, Jon Bauman on July 1, 2009. Lyons believes that provision of the bill amounts to a "bill of attainder." The government is prohibited from punishing an individual that has not been convicted of a crime. "He is being removed from office, his career terminated without ever being accused of anything, let alone indicted, tried or found guilty," Lyons said.

Lyons added, "In the four years that I have been on the board, Jon Bauman has carried out his duties with dedication, professionalism, and absolute regard for safety and growth of our fund and he has put together a staff of excellent people that we are all proud of and committed to keeping."

The Teachers' Retirement System of the State of Illinois provides retirement, disability, and survivor benefits to public school teachers and administrators employed outside the city of Chicago. The System serves 355,584 members and had \$29 billion in assets as of December 31, 2008.

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