

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **SB 2060**

March 6, 2019

SPONSOR (S): Martinez

SYSTEM(S): General Provisions

FISCAL IMPACT: There is no readily discernible fiscal impact associated with SB 2060.

SUBJECT MATTER: SB 2060 amends the General Provisions Article of the Illinois Pension Code. In a provision regarding the adoption of a policy for utilization of emerging investment managers, this proposed legislation requires that the percentage of total fees paid under investment contracts shall be used to make the determination.

COMMENT: Current law encourages a retirement system, pension fund or investment board subject to the Illinois Pension Code to use emerging investment managers in managing its assets by adopting a policy in order to improve the racial, ethnic, and gender diversity of its fiduciaries. A retirement system, pension fund or investment board was required to adopt a policy on or before January 1, 2010, that sets forth goals to hire emerging investment managers that are 1) minority-owned businesses, 2) women-owned businesses, and 3) businesses owned by a person with a disability. The goals should be based on the percentage of *total dollar amount* of investment service contracts let to the 3 aforementioned emerging investment managers. Then, the goals established shall be annually reviewed.

SB 2060 stipulates that such goals shall be based on the *percentage of total fees paid* under investment contracts let to emerging investment managers, and a policy reflecting the change made by this legislation shall be adopted on or before January 1, 2020.

JB:bj

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