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Illinois Explores Ways to Pay Down Pension Debts.

- **Governor mulls steps to reduce unfunded retirement liability**
- **Pension strains have pushed Illinois rating to cusp of junk**

Illinois needs \$134 billion and may hold a yard sale to raise it.

Governor J.B. Pritzker, a Democrat who took office last month, is turning to business experts to figure out how to chip away at the massive debt to the state's employee retirement system that's left the government's credit rating dangling just one step above junk. Among the options it will weigh: How to use the state's other assets — like buildings and roads — to pump more money into the pensions.

No state is struggling more with its retirement obligations than Illinois, but the steps it's exploring aren't unprecedented. New Jersey handed its lottery system over to its pensions, ensuring that politicians won't shortchange them as badly as they have in the past, and Connecticut has considered following suit. Arizona sold its capitol to raise cash after the last recession. And former California Governor Arnold Schwarzenegger proposed selling 11 state office buildings, though the plan was scrapped by his successor.

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