

# Title Page & Abstract

An Interview with Laurence Msall

Part of the Abraham Lincoln Presidential Library  
*Statecraft-Illinois Pension Crisis* Oral History project

Interview # ISC-A-L-2015-062

Laurence Msall, President of the Civic Federation, was interviewed on the date listed below as part of the Abraham Lincoln Presidential Library's *Statecraft-Illinois Pension Crisis* Oral History project.

Interview dates & location:

Date: Nov. 23, 2015      Location: Civic Federation offices, Chicago, Illinois

Interview Format: Digital audio

Interviewer: Philip Pogue. ALPL volunteer

Transcription by: \_\_\_\_\_

Edited by: \_\_\_\_\_

**Transcript  
being processed**

Total Pages: \_\_\_\_\_ Total Time: 1:41 / 1.68 hrs.

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The interview is archived at the Abraham Lincoln Presidential Library in Springfield, Illinois.

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# Abstract

## Laurence Msall, Illinois Statecraft, ISC-A-L-2015-062

**Biographical Information Overview of Interview:** Laurence Msall was born in Chicago in January, 1962, and graduated from St. Ignatius College Prep school in 1980. He earned a BA degree in Sociology from Knox College in 1984, and a law degree from Loyola University in 1992. Laurence first worked for the Illinois Department of Commerce and Community Affairs (DCCA) as a legislative liaison from 1984 to 1988, and served as an Assistant to the Director of DCCA from 1988 to 1990. Msall then went to the Commercial Club of Chicago, eventually serving as Vice President. In addition, he served as secretary to the Commercial Club Foundation and Vice President of the Civic Committee, working on such initiatives as an O'Hare Airport expansion, urban development, Soldier Field renovation, technology development, and reorganization of the United Way (1990-99). Msall returned to state government, working in the Ryan administration serving as Senior Advisor for Economic Development. In 2002, Laurence joined the Civic Federation, an independent, not for profit government research organization. The focus of the organization is to assist public policy makers and to advance such issues as property tax reform, tax simplification, privatization, and joint purchasing with the goal of improving government efficiency and financial accountability. Msall served as the President of this organization at the time of the interview. He also serves on the advisory board of the University of Illinois Institute of Government and Public Affairs and *Illinois Issues* magazine.

This interview explores the problems facing Illinois state pensions and its growing unfunded liability. Msall looks at the fact that many pension benefits and funding levels were based on the short term rather than the long term outlook, and how Illinois public sector pension benefits far exceed funding levels. He highlights how Illinois has many more pension systems, including local pension systems, than most other states. Msall reflects on legislative action on the retirement age, Gov. Jim Edgar's 1995 pension reform, compounded COLAs, payouts vs. contributions, pension bond sales, various early retirement plans, the impact of the Great Recession, and pension holidays. Also discussed were the legislative action of 2011 that created the new Tier 2 classification of worker as well as a temporary income tax increase. The General Assembly passed and the Governor signed Senate Bill 1 (SB 1) in 2013 that led to many reforms, such as increasing the retirement age, capping salaries for retirement, reducing COLAs, ending the use of sick/vacation days. As a trade off, workers would have a reduced contribution rate and the state would guarantee full funding of the pensions. However, the Illinois Supreme Court found SB 1 to be unconstitutional in 2015. As a result, Msall examines possible solutions, including increased taxation and structural changes.

**Subject Headings/Key Words:** Civic Federation; Illinois's many state and local public sector pensions; Illinois's pension problem; Illinois's political system; Senate Bill 1 of 2013; Illinois Supreme Court ruling on SB 1; pension cost shifting; taxing retirement pensions

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