



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB3871

by Rep. Robert Martwick

#### SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-23 new	
15 ILCS 20/50-24 new	
15 ILCS 405/9.5 new	
15 ILCS 505/11	from Ch. 130, par. 11
30 ILCS 330/14	from Ch. 127, par. 664

Amends the State Budget Law. Provides for a continuing appropriation for funding of public education and human services. Amends the State Comptroller Act. Provides that if any cash flow deficit resulting from timing variation between disbursement and receipt of funds in the General Revenue Fund is anticipated, the Comptroller's efforts to manage timing variations shall include issuing payments for education and human services before issuing payments for financial services. Amends the State Treasurer Act. Provides that when any warrant is presented to the State Treasurer to be countersigned, he shall do so if the warrant is in proper form, there are sufficient moneys in the fund to pay the warrant, and payments for education and human services have been issued. Amends the General Obligation Bond Act. Provides that the irrevocable and continuing authority to appropriate funds under the Act shall cover payments to bondholders, but shall not cover fees for credit enhancements or net payments on interest rate swap agreements, or financial futures contracts associated with General Obligation Bonds. Defines terms.

LRB100 10815 RJF 21048 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Budget Law of the Civil Administrative  
5 Code of Illinois is amended by adding Sections 50-23 and 50-24  
6 as follows:

7 (15 ILCS 20/50-23 new)

8 Sec. 50-23. Funding for public education.

9 (a) As it is a fundamental goal that the State support the  
10 educational development of all people of Illinois and as the  
11 State has primary responsibility for financing the system of  
12 public education, it is the policy of the State of Illinois  
13 that stability of payments for education shall be a priority.

14 (b) For purposes of this Section:

15 "Funding of public education" means appropriations  
16 made available for public education from the General  
17 Revenue Fund; Education Assistance Fund; Common School  
18 Fund; Fund for the Advancement of Education; Personal  
19 Property Tax Replacement Fund; Drivers Education Fund;  
20 School District Emergency Financial Assistance Fund;  
21 School Technology Revolving Loan Fund; SBE Federal  
22 Department of Education Fund; and School Infrastructure  
23 Fund.

1           "Public education" means services provided for by a  
2           school under the jurisdiction of the State Board of  
3           Education or an institution of higher education under the  
4           jurisdiction of the Board of Higher Education.

5           (c) The aggregate appropriations available for funding of  
6           public education in this State from all State funds for each  
7           State fiscal year shall be no less than the total aggregate  
8           appropriations made available for funding of public education  
9           in this State for the immediately preceding fiscal year.

10          (d) If for any reason the aggregate appropriations made  
11          available are insufficient to meet the levels required by  
12          subsection (b) of this Section, this subsection (c) shall  
13          constitute an irrevocable and continuing appropriation for the  
14          funding of public education at the previous year's levels, and  
15          the irrevocable and continuing authority for and direction to  
16          the State Treasurer and the Comptroller to make payments at  
17          these levels.

18           (15 ILCS 20/50-24 new)

19           Sec. 50-24. Funding for human services.

20           (a) To provide for public health and welfare it is the  
21           policy of the State that in payments from general revenue,  
22           stability of payments for human needs shall be a priority.

23           (b) For purposes of this Section:

24           "Human services" means all services provided for by the  
25           following Departments: the Department of Human Services,

1 the Department on Aging, the Department of Healthcare and  
2 Family Services, the Department of Children and Family  
3 Services, and the Department of Public Health.

4 "Funding of human services" means appropriations made  
5 available for human services from the General Revenue Fund;  
6 Commitment to Human Services Fund; Long Term Care Ombudsman  
7 Fund; Tobacco Settlement Recovery Fund; and Department on  
8 Aging State Projects Fund.

9 (c) The aggregate appropriations available for funding of  
10 human services in this State from all State funds for each  
11 State fiscal year shall be no less than the total aggregate  
12 appropriations made available for funding of services in this  
13 State for the immediately preceding fiscal year.

14 (d) If for any reason the aggregate appropriations made  
15 available are insufficient to meet the levels required by  
16 subsection (b) of this Section, this subsection (c) shall  
17 constitute an irrevocable and continuing appropriation of  
18 funding of human services at the previous year's levels, and  
19 the irrevocable and continuing authority for and direction to  
20 the State Treasurer and the Comptroller to make payments at  
21 these levels.

22 Section 10. The State Comptroller Act is amended by adding  
23 Section 9.5 as follows:

24 (15 ILCS 405/9.5 new)

1       Sec. 9.5. Prioritization of payments.

2       (a) It is the policy of the State that in payments from the  
3 General Revenue Fund, payments for education and human needs  
4 should be prioritized in order to provide for the health,  
5 safety and wellbeing of the people of Illinois. The Comptroller  
6 is responsible for implementing this policy.

7       (b) As used in this section:

8       "Education" means services provided for by a school  
9 under the jurisdiction of the State Board of Education or  
10 an institution of higher education under the jurisdiction  
11 of the Board of Higher Education.

12       "Human services" means all services provided for by the  
13 following Departments: the Department of Human Services,  
14 the Department on Aging, the Department of Healthcare and  
15 Family Services, the Department of Children and Family  
16 Services, and the Department of Public Health.

17       "Payments for financial services" means payments to  
18 financial institutions for processes related to activities  
19 of State finance. "Payments for financial services" shall  
20 not include payments to bondholders; however, it shall  
21 include, but not be limited to, payments for net payments  
22 on interest rate swap agreements, fees for credit  
23 enhancements and re-marketing, and other fees for  
24 financial services associated with bonds.

25       (c) If any cash flow deficit resulting from timing  
26 variation between disbursement and receipt of funds in the

1 General Revenue Fund is anticipated, the Comptroller's efforts  
2 to manage timing variations shall include issuing payments for  
3 education and human services before issuing payments for  
4 financial services.

5 Section 15. The State Treasurer Act is amended by changing  
6 Section 11 as follows:

7 (15 ILCS 505/11) (from Ch. 130, par. 11)

8 Sec. 11. When any warrant is presented to the State  
9 Treasurer to be countersigned, he shall do so if the warrant is  
10 in proper form, ~~and~~ there are sufficient moneys in the fund to  
11 pay the warrant, and the provisions of Section 9.5 of the State  
12 Comptroller Act have been followed. He shall also make a record  
13 of the date and amount of each warrant.

14 Upon request for a wire or electronic transfer of funds  
15 pursuant to a warrant payable from the State treasury, the  
16 State Treasurer may impose upon and collect from the requesting  
17 payee a service charge covering all costs of such transfer.

18 (Source: P.A. 99-562, eff. 1-1-17.)

19 Section 20. The General Obligation Bond Act is amended by  
20 changing Section 14 as follows:

21 (30 ILCS 330/14) (from Ch. 127, par. 664)

22 Sec. 14. Repayment.

1           (a) To provide for the manner of repayment of Bonds, the  
2 Governor shall include an appropriation in each annual State  
3 Budget of monies in such amount as shall be necessary and  
4 sufficient, for the period covered by such budget, to pay the  
5 interest, as it shall accrue, on all Bonds issued under this  
6 Act, to pay and discharge the principal of such Bonds as shall,  
7 by their terms, fall due during such period, to pay a premium,  
8 if any, on Bonds to be redeemed prior to the maturity date, and  
9 to pay sinking fund payments in connection with Qualified  
10 School Construction Bonds authorized by subsection (e) of  
11 Section 9. Amounts included in such appropriations for the  
12 payment of interest on variable rate bonds shall be the maximum  
13 amounts of interest that may be payable for the period covered  
14 by the budget, after taking into account any credits permitted  
15 in the related indenture or other instrument against the amount  
16 of such interest required to be appropriated for such period.  
17 Amounts included in such appropriations for the payment of  
18 interest shall include the amounts certified by the Director of  
19 the Governor's Office of Management and Budget under subsection  
20 (b) of Section 9 of this Act.

21           (b) A separate fund in the State Treasury called the  
22 "General Obligation Bond Retirement and Interest Fund" is  
23 hereby created.

24           (c) The General Assembly shall annually make  
25 appropriations to pay the principal of, interest on, and  
26 premium, if any, on Bonds sold under this Act from the General

1 Obligation Bond Retirement and Interest Fund. Amounts included  
2 in such appropriations for the payment of interest on variable  
3 rate bonds shall be the maximum amounts of interest that may be  
4 payable during the fiscal year, after taking into account any  
5 credits permitted in the related indenture or other instrument  
6 against the amount of such interest required to be appropriated  
7 for such period. Amounts included in such appropriations for  
8 the payment of interest shall include the amounts certified by  
9 the Director of the Governor's Office of Management and Budget  
10 under subsection (b) of Section 9 of this Act.

11 If for any reason there are insufficient funds in either  
12 the General Revenue Fund or the Road Fund to make transfers to  
13 the General Obligation Bond Retirement and Interest Fund as  
14 required by Section 15 of this Act, or if for any reason the  
15 General Assembly fails to make appropriations sufficient to pay  
16 the principal of, interest on, and premium, if any, on the  
17 Bonds, as the same by their terms shall become due, this Act  
18 shall constitute an irrevocable and continuing appropriation  
19 of all amounts necessary for that purpose, and the irrevocable  
20 and continuing authority for and direction to the State  
21 Treasurer and the Comptroller to make the necessary transfers,  
22 as directed by the Governor, out of and disbursements from the  
23 revenues and funds of the State. The irrevocable and continuing  
24 authority shall cover payments to bondholders, but shall not  
25 cover fees for credit enhancements or net payments on interest  
26 rate swap agreements, or financial futures contracts



1 associated with General Obligation Bonds, including, but not  
2 limited to, bonds described under Section 9 of this Act.

3 (d) If, because of insufficient funds in either the General  
4 Revenue Fund or the Road Fund, monies have been transferred to  
5 the General Obligation Bond Retirement and Interest Fund, as  
6 required by subsection (c) of this Section, this Act shall  
7 constitute the irrevocable and continuing authority for and  
8 direction to the State Treasurer and Comptroller to reimburse  
9 these funds of the State from the General Revenue Fund or the  
10 Road Fund, as appropriate, by transferring, at such times and  
11 in such amounts, as directed by the Governor, an amount to  
12 these funds equal to that transferred from them.

13 (Source: P.A. 96-828, eff. 12-2-09.)