



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB4118

Introduced 9/3/2021, by Rep. Michael Halpin

#### SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-40  
30 ILCS 105/6z-51  
30 ILCS 122/15  
30 ILCS 122/20

Amends the State Budget Law of the Civil Administrative Code of Illinois. Provides that "general funds" or "State general funds" as used under the Act includes the Pension Stabilization Fund. Amends the State Finance Act. Provides that for fiscal year 2024 and subsequent fiscal years, any transfers into the Budget Stabilization Fund may be transferred to the General Revenue Fund in order for the Comptroller to address outstanding vouchers, and shall not be subject to repayment into the Budget Stabilization Fund if the bill backlog as determined by the Comptroller on June 30 of that fiscal year exceeds \$4,000,000,000. Amends the Budget Stabilization Act. Modifies provisions concerning requirements for and transfers into the Budget Stabilization Fund and the Pension Stabilization Fund regarding the State's backlog of bills. Effective immediately.

LRB102 19031 RJF 27795 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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  
5 Administrative Code of Illinois is amended by changing Section  
6 50-40 as follows:

7 (15 ILCS 20/50-40)

8 Sec. 50-40. General funds defined. "General funds" or  
9 "State general funds" means the General Revenue Fund, the  
10 Common School Fund, the General Revenue Common School Special  
11 Account Fund, the Education Assistance Fund, the Fund for the  
12 Advancement of Education, the Commitment to Human Services  
13 Fund, ~~and~~ the Budget Stabilization Fund, and the Pension  
14 Stabilization Fund.

15 (Source: P.A. 100-23, eff. 7-6-17.)

16 Section 10. The State Finance Act is amended by changing  
17 Section 6z-51 as follows:

18 (30 ILCS 105/6z-51)

19 Sec. 6z-51. Budget Stabilization Fund.

20 (a) The Budget Stabilization Fund, a special fund in the  
21 State Treasury, shall consist of moneys appropriated or

1 transferred to that Fund, as provided in Section 6z-43 and as  
2 otherwise provided by law. All earnings on Budget  
3 Stabilization Fund investments shall be deposited into that  
4 Fund.

5 (b) The State Comptroller may direct the State Treasurer  
6 to transfer moneys from the Budget Stabilization Fund to the  
7 General Revenue Fund in order to meet cash flow deficits  
8 resulting from timing variations between disbursements and the  
9 receipt of funds within a fiscal year. Any moneys so borrowed  
10 in any fiscal year other than Fiscal Year 2011 and other than  
11 as provided in subsection (b-5) shall be repaid by June 30 of  
12 the fiscal year in which they were borrowed. Any moneys so  
13 borrowed in Fiscal Year 2011 shall be repaid no later than July  
14 15, 2011.

15 (b-5) For fiscal year 2024 and subsequent fiscal years,  
16 any transfers into the Budget Stabilization Fund pursuant to  
17 Section 15 of the Budget Stabilization Act may be transferred  
18 to the General Revenue Fund in order for the Comptroller to  
19 address outstanding vouchers, and shall not be subject to  
20 repayment into the Budget Stabilization Fund if the bill  
21 backlog as determined by the Comptroller on June 30 of that  
22 fiscal year exceeds \$4,000,000,000.

23 (c) During Fiscal Year 2017 only, amounts may be expended  
24 from the Budget Stabilization Fund only pursuant to specific  
25 authorization by appropriation. Any moneys expended pursuant  
26 to appropriation shall not be subject to repayment.

1 (d) For Fiscal Year 2020, and beyond, any transfers into  
2 the Fund pursuant to the Cannabis Regulation and Tax Act may be  
3 transferred to the General Revenue Fund in order for the  
4 Comptroller to address outstanding vouchers and shall not be  
5 subject to repayment back into the Budget Stabilization Fund.  
6 (Source: P.A. 101-10, eff. 6-5-19.)

7 Section 15. The Budget Stabilization Act is amended by  
8 changing Sections 15 and 20 as follows:

9 (30 ILCS 122/15)

10 Sec. 15. Transfers to Budget Stabilization Fund. In  
11 furtherance of the State's objective for the Budget  
12 Stabilization Fund to have resources representing 5% of the  
13 State's annual general funds revenues:

14 (a) On January 10, 2023, and for each January 10  
15 thereafter, the Department on Aging, the Department of  
16 Healthcare and Family Services, and the Department of Human  
17 Services shall certify to the Comptroller the amount of  
18 invoices that may be paid from appropriations in future fiscal  
19 years resulting from insufficient appropriations in the  
20 current fiscal year. The Department of Central Management  
21 Services shall also certify the amount of invoices that may be  
22 paid from appropriations in future fiscal years due to  
23 insufficient resources in the Health Insurance Reserve Fund,  
24 and the Department of Revenue shall certify an estimate of the

1 amount of individual and corporate income tax overpayments  
2 that will not be refunded before the close of the current  
3 fiscal year resulting from insufficient deposits into the  
4 Income Tax Refund Fund. The Comptroller's Debt Transparency  
5 Report shall detail the total value of the amounts certified  
6 by the Department on Aging and the Departments of Central  
7 Management Services, Healthcare and Family Services, Human  
8 Services, and Revenue. The report shall also include the  
9 liabilities payable with the Comptroller at the close of  
10 business on December 31, 2022 and for each December 31  
11 thereafter. For each fiscal year when the General Assembly's  
12 appropriations and transfers or diversions as required by law  
13 from general funds do not exceed 99% of the estimated general  
14 funds revenues pursuant to subsection (a) of Section 10, the  
15 Comptroller shall transfer from the General Revenue Fund as  
16 provided by this Section a total amount equal to 0.5% of the  
17 estimated general funds revenues to the Budget Stabilization  
18 Fund.

19 (b) Beginning May 15, 2023, and for each May 15  
20 thereafter, the Comptroller shall report to the Governor and  
21 the General Assembly the estimated backlog of bills for the  
22 end of the current fiscal year. If the amount of the backlog of  
23 bills reported by the Comptroller on June 30, 2023 and each  
24 June 30 thereafter is an amount less than \$3,000,000,000, on  
25 the last day of each month of the next fiscal year, or as soon  
26 thereafter as possible, the Comptroller shall order

1 transferred and the Treasurer shall transfer from the General  
2 Revenue Fund to the Budget Stabilization Fund the lesser of  
3 (i) \$200,000,000 or (ii) the amount necessary to maintain  
4 resources in the Budget Stabilization Fund that is equal to 5%  
5 of the total general funds revenues of the prior fiscal year,  
6 in equal monthly installments. Nothing in this Section  
7 prohibits the General Assembly from appropriating additional  
8 moneys into the Budget Stabilization Fund; however, transfers  
9 or appropriations shall only be made from the Budget  
10 Stabilization Fund under subsection (d) of this Section. For  
11 each fiscal year when the General Assembly's appropriations  
12 and transfers or diversions as required by law from general  
13 funds do not exceed 98% of the estimated general funds  
14 revenues pursuant to subsection (b) of Section 10, the  
15 Comptroller shall transfer from the General Revenue Fund as  
16 provided by this Section a total amount equal to 1% of the  
17 estimated general funds revenues to the Budget Stabilization  
18 Fund.

19 (c) ~~The Comptroller shall transfer 1/12 of the total~~  
20 ~~amount to be transferred each fiscal year under this Section~~  
21 ~~into the Budget Stabilization Fund on the first day of each~~  
22 ~~month of that fiscal year or as soon thereafter as possible.~~

23 The balance of the Budget Stabilization Fund shall not exceed  
24 5% of the total of general funds revenues estimated for that  
25 fiscal year. If the balance of the Budget Stabilization Fund  
26 is equal to 5% of the total general funds revenues of the prior

1 fiscal year, no further transfers shall be made to the Budget  
2 Stabilization Fund. If the amounts certified to the  
3 Comptroller that may be paid from future fiscal year resources  
4 by the Department on Aging and the Departments of Central  
5 Management Services, Healthcare and Family Services, Human  
6 Services, and Revenue exceed zero, the Comptroller shall order  
7 transferred and the Treasurer shall transfer from the General  
8 Revenue Fund to the Health Insurance Reserve Fund, the  
9 Healthcare Provider Relief Fund, or the Income Tax Refund Fund  
10 an amount necessary to reduce those amounts to zero, but not to  
11 exceed a monthly aggregate of \$16,666,666 ~~except as provided~~  
12 ~~by subsection (d) of this Section.~~

13 (d) Upon written notice from the Governor to the Clerk of  
14 the House of Representatives, the Secretary of the Senate, and  
15 the Secretary of State pursuant to Section 1.1 of the Short  
16 Term Borrowing Act, the Comptroller may cease the order of any  
17 further transfers to the Budget Stabilization Fund and may  
18 order the transfer and the Treasurer shall transfer from the  
19 Budget Stabilization Fund to the General Revenue Fund an  
20 amount deemed necessary to maintain the State's backlog of  
21 bills to an amount below \$3,000,000,000. If the written notice  
22 has been provided, the General Assembly may make transfers or  
23 appropriations from the Budget Stabilization Fund for the  
24 upcoming fiscal year as necessary to provide for the health,  
25 safety, and welfare of the people of the State of Illinois. ~~¶¶~~  
26 ~~the balance of the Budget Stabilization Fund exceeds 5% of the~~

1 ~~total general funds revenues estimated for that fiscal year,~~  
2 ~~the additional transfers are not required unless there are~~  
3 ~~outstanding liabilities under Section 25 of the State Finance~~  
4 ~~Act from prior fiscal years. If there are such outstanding~~  
5 ~~Section 25 liabilities, then the Comptroller shall continue to~~  
6 ~~transfer 1/12 of the total amount identified for transfer to~~  
7 ~~the Budget Stabilization Fund on the first day of each month of~~  
8 ~~that fiscal year or as soon thereafter as possible to be~~  
9 ~~reserved for those Section 25 liabilities. Nothing in this Act~~  
10 ~~prohibits the General Assembly from appropriating additional~~  
11 ~~moneys into the Budget Stabilization Fund.~~

12 (e) (Blank). ~~On or before August 31 of each fiscal year,~~  
13 ~~the amount determined to be transferred to the Budget~~  
14 ~~Stabilization Fund shall be reconciled to actual general funds~~  
15 ~~revenues for that fiscal year. The final transfer for each~~  
16 ~~fiscal year shall be adjusted so that the total amount~~  
17 ~~transferred under this Section is equal to the percentage~~  
18 ~~specified in subsection (a) or (b) of this Section, as~~  
19 ~~applicable, based on actual general funds revenues calculated~~  
20 ~~consistently with subsection (c) of Section 10 of this Act for~~  
21 ~~each fiscal year.~~

22 (f) For the fiscal year beginning July 1, 2006 and for each  
23 fiscal year thereafter, the budget proposal to the General  
24 Assembly shall identify liabilities incurred in a prior fiscal  
25 year under Section 25 of the State Finance Act and the budget  
26 proposal shall provide funding as allowable pursuant to



1 subsection (d) of this Section, if applicable.

2 (Source: P.A. 93-660, eff. 7-1-04; 94-839, eff. 6-6-06.)

3 (30 ILCS 122/20)

4 (Text of Section WITH the changes made by P.A. 98-599,  
5 which has been held unconstitutional)

6 Sec. 20. Pension Stabilization Fund.

7 (a) The Pension Stabilization Fund is hereby created as a  
8 special fund in the State treasury. Moneys in the fund shall be  
9 used for the sole purpose of making payments to the designated  
10 retirement systems as provided in Section 25.

11 (b) For each fiscal year through State fiscal year 2014,  
12 when the General Assembly's appropriations and transfers or  
13 diversions as required by law from general funds do not exceed  
14 99% of the estimated general funds revenues pursuant to  
15 subsection (a) of Section 10, the Comptroller shall transfer  
16 from the General Revenue Fund as provided by this Section a  
17 total amount equal to 0.5% of the estimated general funds  
18 revenues to the Pension Stabilization Fund.

19 (c) For each fiscal year through State fiscal year 2014,  
20 when the General Assembly's appropriations and transfers or  
21 diversions as required by law from general funds do not exceed  
22 98% of the estimated general funds revenues pursuant to  
23 subsection (b) of Section 10, the Comptroller shall transfer  
24 from the General Revenue Fund as provided by this Section a  
25 total amount equal to 1.0% of the estimated general funds

1 revenues to the Pension Stabilization Fund.

2 (c-5) In addition to any other amounts required to be  
3 transferred under this Section, in State fiscal year 2016 and  
4 each fiscal year thereafter through State fiscal year 2045, or  
5 when each of the designated retirement systems, as defined in  
6 Section 25, has achieved 100% funding, whichever occurs first,  
7 the State Comptroller shall order transferred and the State  
8 Treasurer shall transfer from the General Revenue Fund to the  
9 Pension Stabilization Fund an amount equal to 10% of (1) the  
10 sum of the amounts certified by the designated retirement  
11 systems under subsection (a-5) of Section 2-134, subsection  
12 (a-10) of Section 14-135.08, subsection (a-10) of Section  
13 15-165, and subsection (a-10) of Section 16-158 of this Code  
14 for that fiscal year minus (2) the sum of (i) the transfer  
15 required under subsection (c-10) of this Section for that  
16 fiscal year and (ii) the sum of the required State  
17 contributions certified by the retirement systems under  
18 subsection (a) of Section 2-134, subsection (a-5) of Section  
19 14-135.08, subsection (a-5) of Section 15-165, and subsection  
20 (a-5) of Section 16-158 of this Code for that fiscal year. The  
21 transferred amount is intended to represent one-tenth of the  
22 annual savings to the State resulting from the enactment of  
23 this amendatory Act of the 98th General Assembly.

24 (c-10) In State fiscal year 2019, the State Comptroller  
25 shall order transferred and the State Treasurer shall transfer  
26 \$364,000,000 from the General Revenue Fund to the Pension

1 Stabilization Fund. In State fiscal year 2020 and each fiscal  
2 year thereafter until terminated under subsection (c-15), the  
3 State Comptroller shall order transferred and the State  
4 Treasurer shall transfer \$1,000,000,000 from the General  
5 Revenue Fund to the Pension Stabilization Fund.

6 (c-15) The transfers made beginning in State fiscal year  
7 2020 pursuant to subsection (c-10) of this Section shall  
8 terminate at the end of State fiscal year 2045 or when each of  
9 the designated retirement systems, as defined in Section 25,  
10 has achieved 100% funding, whichever occurs first.

11 (d) The Comptroller shall transfer 1/12 of the total  
12 amount to be transferred each fiscal year under this Section  
13 into the Pension Stabilization Fund on the first day of each  
14 month of that fiscal year or as soon thereafter as possible;  
15 except that the final transfer of the fiscal year shall be made  
16 as soon as practical after the August 31 following the end of  
17 the fiscal year.

18 Until State fiscal year 2015, before the final transfer  
19 for a fiscal year is made, the Comptroller shall reconcile the  
20 estimated general funds revenues used in calculating the other  
21 transfers under this Section for that fiscal year with the  
22 actual general funds revenues for that fiscal year. The final  
23 transfer for the fiscal year shall be adjusted so that the  
24 total amount transferred under this Section for that fiscal  
25 year is equal to the percentage specified in subsection (b) or  
26 (c) of this Section, whichever is applicable, of the actual

1 general funds revenues for that fiscal year. The actual  
2 general funds revenues for the fiscal year shall be calculated  
3 in a manner consistent with subsection (c) of Section 10 of  
4 this Act.

5 (Source: P.A. 98-599, eff. 6-1-14.)

6 (Text of Section WITHOUT the changes made by P.A. 98-599,  
7 which has been held unconstitutional)

8 Sec. 20. Pension Stabilization Fund.

9 (a) The Pension Stabilization Fund is hereby created as a  
10 special fund in the State treasury. Moneys in the fund shall be  
11 used for the sole purpose of making payments to the designated  
12 retirement systems as provided in Section 25.

13 (b) If the amount of the backlog of bills reported by the  
14 Comptroller on June 30, 2023 and for each June 30 thereafter is  
15 an amount less than \$3,000,000,000, on the last day of each  
16 month of the next fiscal year, or as soon thereafter as  
17 possible, the Comptroller shall order transferred and the  
18 Treasurer shall transfer from the General Revenue Fund to the  
19 Pension Stabilization Fund \$200,000,000 in equal monthly  
20 installments. ~~For each fiscal year when the General Assembly's~~  
21 ~~appropriations and transfers or diversions as required by law~~  
22 ~~from general funds do not exceed 99% of the estimated general~~  
23 ~~funds revenues pursuant to subsection (a) of Section 10, the~~  
24 ~~Comptroller shall transfer from the General Revenue Fund as~~  
25 ~~provided by this Section a total amount equal to 0.5% of the~~

1 ~~estimated general funds revenues to the Pension Stabilization~~  
2 ~~Fund.~~

3 (c) (Blank). ~~For each fiscal year when the General~~  
4 ~~Assembly's appropriations and transfers or diversions as~~  
5 ~~required by law from general funds do not exceed 98% of the~~  
6 ~~estimated general funds revenues pursuant to subsection (b) of~~  
7 ~~Section 10, the Comptroller shall transfer from the General~~  
8 ~~Revenue Fund as provided by this Section a total amount equal~~  
9 ~~to 1.0% of the estimated general funds revenues to the Pension~~  
10 ~~Stabilization Fund.~~

11 (d) (Blank). ~~The Comptroller shall transfer 1/12 of the~~  
12 ~~total amount to be transferred each fiscal year under this~~  
13 ~~Section into the Pension Stabilization Fund on the first day~~  
14 ~~of each month of that fiscal year or as soon thereafter as~~  
15 ~~possible; except that the final transfer of the fiscal year~~  
16 ~~shall be made as soon as practical after the August 31~~  
17 ~~following the end of the fiscal year.~~

18 ~~Before the final transfer for a fiscal year is made, the~~  
19 ~~Comptroller shall reconcile the estimated general funds~~  
20 ~~revenues used in calculating the other transfers under this~~  
21 ~~Section for that fiscal year with the actual general funds~~  
22 ~~revenues for that fiscal year. The final transfer for the~~  
23 ~~fiscal year shall be adjusted so that the total amount~~  
24 ~~transferred under this Section for that fiscal year is equal~~  
25 ~~to the percentage specified in subsection (b) or (c) of this~~  
26 ~~Section, whichever is applicable, of the actual general funds~~

1 ~~revenues for that fiscal year. The actual general funds~~  
2 ~~revenues for the fiscal year shall be calculated in a manner~~  
3 ~~consistent with subsection (c) of Section 10 of this Act.~~

4 (Source: P.A. 94-839, eff. 6-6-06.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.