



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2443

Introduced 2/14/2023, by Sen. Michael W. Halpin

SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-40
25 ILCS 80/5 from Ch. 63, par. 42.93-5
30 ILCS 105/6z-51
30 ILCS 105/9.08
30 ILCS 122/10
30 ILCS 122/15
30 ILCS 122/20

Amends the Balanced Budget Note Act. Specifies that the Pension Stabilization Fund is a general fund for purposes of identifying supplemental appropriation bills. Amends the State Finance Act. Provides that the monthly reports on State liabilities submitted to the Comptroller by the Department on Aging, the Department of Healthcare and Family Services, the Department of Human Services, the Department of Central Management Services, and the Department of Revenue shall also include certain supplemental information. Amends the Budget Stabilization Act. Modifies provisions placing limits on amounts that may be appropriated, transferred, or diverted by the General Assembly from general funds. Modifies provisions concerning requirements for and transfers into the Budget Stabilization Fund and the Pension Stabilization Fund based on the State's accounts payable. Makes changes to the definition of "estimated general funds revenues". Effective immediately.

LRB103 29716 DTM 56121 b

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 6. The Balanced Budget Note Act is amended by
17 changing Section 5 as follows:

18 (25 ILCS 80/5) (from Ch. 63, par. 42.93-5)

19 Sec. 5. Supplemental appropriation bill defined. For
20 purposes of this Act, "supplemental appropriation bill" means
21 any appropriation bill that is (a) introduced or amended

1 (including any changes to legislation by means of the
2 submission of a conference committee report) on or after July
3 1 of a fiscal year and (b) proposes (as introduced or as
4 amended as the case may be) to authorize, increase, decrease,
5 or reallocate any general funds appropriation for that same
6 fiscal year. The general funds consist of the General Revenue
7 Fund, the Common School Fund, the General Revenue Common
8 School Special Account Fund, the Education Assistance Fund,
9 the Fund for the Advancement of Education, the Commitment to
10 Human Services Fund, ~~and~~ the Budget Stabilization Fund, and
11 the Pension Stabilization Fund.

12 (Source: P.A. 100-587, eff. 6-4-18.)

13 Section 10. The State Finance Act is amended by changing
14 Sections 6z-51 and 9.08 as follows:

15 (30 ILCS 105/6z-51)

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

17 (a) The Budget Stabilization Fund, a special fund in the
18 State Treasury, shall consist of moneys appropriated or
19 transferred to that Fund, as provided in Section 6z-43 and as
20 otherwise provided by law. All earnings on Budget
21 Stabilization Fund investments shall be deposited into that
22 Fund.

23 (b) The State Comptroller may direct the State Treasurer
24 to transfer moneys from the Budget Stabilization Fund to the

1 General Revenue Fund in order to meet cash flow deficits
2 resulting from timing variations between disbursements and the
3 receipt of funds within a fiscal year. Except as provided in
4 subsection (b-5), any ~~Any~~ moneys so borrowed in any fiscal
5 year ~~other than Fiscal Year 2011~~ shall be repaid by June 30 of
6 the fiscal year in which they were borrowed. ~~Any moneys so~~
7 ~~borrowed in Fiscal Year 2011 shall be repaid no later than July~~
8 ~~15, 2011.~~

9 (b-5) For Fiscal Year 2025 and each fiscal year
10 thereafter, any moneys transferred into the Budget
11 Stabilization Fund pursuant to Section 15 of the Budget
12 Stabilization Act may be transferred into the General Revenue
13 Fund in order for the Comptroller to address outstanding
14 vouchers and shall not be subject to repayment into the Budget
15 Stabilization Fund if the amount of accounts payable, as
16 determined by the Comptroller on June 30 of that fiscal year,
17 exceeds \$4,000,000,000.

18 (c) (Blank). ~~During Fiscal Year 2017 only, amounts may be~~
19 ~~expended from the Budget Stabilization Fund only pursuant to~~
20 ~~specific authorization by appropriation. Any moneys expended~~
21 ~~pursuant to appropriation shall not be subject to repayment.~~

22 (d) (Blank). ~~For Fiscal Years 2020 through 2022, any~~
23 ~~transfers into the Fund pursuant to the Cannabis Regulation~~
24 ~~and Tax Act may be transferred to the General Revenue Fund in~~
25 ~~order for the Comptroller to address outstanding vouchers and~~
26 ~~shall not be subject to repayment back into the Budget~~

1 ~~Stabilization Fund.~~

2 (e) Beginning July 1, 2023, on the first day of each month,
3 or as soon thereafter as practical, the State Comptroller
4 shall direct and the State Treasurer shall transfer \$3,750,000
5 from the General Revenue Fund to the Budget Stabilization
6 Fund.

7 (Source: P.A. 101-10, eff. 6-5-19; 102-699, eff. 4-19-22.)

8 (30 ILCS 105/9.08)

9 Sec. 9.08. State agency reports; bills held by the agency.

10 (a) Each State agency shall provide a report to the State
11 Comptroller identifying: (i) current State liabilities held at
12 the agency, by fund source; (ii) whether the liabilities are
13 appropriated; and (iii) an estimate of interest penalties
14 accrued under the State Prompt Payment Act under criteria
15 prescribed by the State Comptroller. The report shall be
16 provided monthly in a time and form prescribed by the State
17 Comptroller in which the State Comptroller may provide a
18 waiver to the monthly reporting requirement if a State agency
19 does not have State liabilities. In the monthly reports under
20 this subsection (a) for January 2024, and in the monthly
21 reports under this subsection (a) for each January thereafter:

22 (1) the Department on Aging, the Department of
23 Healthcare and Family Services, and the Department of
24 Human Services shall include the total number and
25 aggregate dollar value of the invoices submitted by that

1 agency that may be paid from appropriations in a future
2 fiscal year under Section 25 because appropriations in the
3 current fiscal year are insufficient;

4 (2) the Department of Central Management Services
5 shall include the total number and aggregate dollar value
6 of the invoices that may be paid from appropriations in
7 future fiscal years under Section 25 due to insufficient
8 resources in the Health Insurance Reserve Fund; and

9 (3) the Department of Revenue shall include an
10 estimate of the amount of individual and corporate income
11 tax overpayments that will not be refunded before the
12 close of the current fiscal year because deposits into the
13 Income Tax Refund Fund are insufficient to pay those
14 refunds.

15 (b) As soon as possible after receiving a report from a
16 State agency under subsection (a) of this Section, the State
17 Comptroller shall post on his or her public-facing website the
18 information ~~amount~~ reported by the State agency under
19 subsection (a). The Comptroller shall also include on that
20 website the liabilities reported to the Comptroller as of the
21 close of business on December 31 of the previous calendar
22 year.

23 (c) For purposes of this Section, "State agency" means:
24 all executive branch officers, boards, commissions and
25 agencies created by the Constitution; all officers,
26 departments, boards, commissions, agencies, institutions,

1 authorities, universities, bodies politic and corporate of the
2 State; and administrative units or corporate outgrowths of the
3 State government which are created by or pursuant to statute,
4 other than units of local government and their officers,
5 school districts and boards of election commissioners; and all
6 administrative units and corporate outgrowths of the above and
7 as may be created by executive order of the Governor. "State
8 agency" does not include any officer, department, board,
9 commission, agency, unit, or authority of the legislative or
10 judicial branch.

11 (Source: P.A. 100-552, eff. 1-1-18.)

12 Section 15. The Budget Stabilization Act is amended by
13 changing Sections 10, 15 and 20 as follows:

14 (30 ILCS 122/10)

15 Sec. 10. Budget limitations.

16 (a) Through Fiscal Year 2024, except ~~Except~~ as provided in
17 subsection (b-5), in addition to Section 50-5 of the State
18 Budget Law of the Civil Administrative Code of Illinois, the
19 General Assembly's appropriations and transfers or diversions
20 as required by law from general funds shall not exceed 99% of
21 the estimated general funds revenues for the fiscal year when
22 revenue estimates of the State's general funds revenues exceed
23 the prior fiscal year's estimated general funds revenues by
24 more than 4%. Beginning in Fiscal Year 2025, in addition to

1 Section 50-5 of the State Budget Law of the Civil
2 Administrative Code of Illinois, the General Assembly's
3 appropriations and transfers or diversions as required by law
4 from general funds shall not exceed 99% of the estimated
5 general funds revenues for the fiscal year if (i) revenue
6 estimates of the State's general funds revenues for the fiscal
7 year exceed the prior fiscal year's estimated general funds
8 revenues by more than 4% and (ii) projected accounts payable
9 are estimated by the Comptroller to be less than
10 \$3,000,000,000 for the fiscal year.

11 (b) Through Fiscal Year 2024, except ~~Except~~ as provided in
12 subsection (b-5), the General Assembly's appropriations and
13 transfers or diversions as required by law from general funds
14 shall not exceed 98% of the estimated general funds revenues
15 for the fiscal year when revenue estimates of the State's
16 general funds revenues exceed the prior fiscal year's
17 estimated general funds revenues by more than 4% for 2 or more
18 consecutive fiscal years.

19 (b-5) The limitations on appropriations and transfers or
20 diversions set forth under subsections (a) and (b) do not
21 apply for State fiscal year 2008.

22 (c) For the purpose of this Act, through Fiscal Year 2024,
23 "estimated general funds revenues" include, for each budget
24 year, all taxes, fees, and other revenues expected to be
25 deposited into the State's general funds, including recurring
26 transfers from other State funds into the general funds.

1 Beginning in Fiscal Year 2025, "estimated general funds
2 revenues" means the estimate from the Governor's Office of
3 Management and Budget under Section 50-5 of the State Budget
4 Law of the Civil Administrative Code of Illinois of all the
5 taxes, fees, and other revenues expected to be deposited into
6 the State's general funds, including recurring transfers from
7 other State funds into the general funds, but excluding any
8 federal revenue sources.

9 Through Fiscal Year 2024, year-over-year ~~Year-over-year~~
10 comparisons used to determine the percentage growth factor of
11 estimated general funds revenues shall exclude the sum of the
12 following: (i) expected revenues resulting from new taxes or
13 fees or from tax or fee increases during the first year of the
14 change, (ii) expected revenues resulting from one-time
15 receipts or non-recurring transfers in, (iii) expected
16 proceeds resulting from borrowing, and (iv) increases in
17 federal grants that must be completely appropriated based on
18 the terms of the grants.

19 (Source: P.A. 94-839, eff. 6-6-06; 95-707, eff. 1-11-08.)

20 (30 ILCS 122/15)

21 Sec. 15. Transfers to Budget Stabilization Fund. In
22 furtherance of the State's objective for the Budget
23 Stabilization Fund to have resources representing 7.5% of the
24 State's annual general funds revenues:

25 (a) For each fiscal year when the General Assembly's

1 appropriations and transfers or diversions as required by law
2 from general funds do not exceed 99% of the estimated general
3 funds revenues pursuant to subsection (a) of Section 10, the
4 Comptroller shall transfer from the General Revenue Fund as
5 provided by this Section a total amount equal to 0.5% of the
6 estimated general funds revenues to the Budget Stabilization
7 Fund.

8 (b) Through the Fiscal Year 2024, For each fiscal year
9 when the General Assembly's appropriations and transfers or
10 diversions as required by law from general funds do not exceed
11 98% of the estimated general funds revenues pursuant to
12 subsection (b) of Section 10, the Comptroller shall transfer
13 from the General Revenue Fund as provided by this Section a
14 total amount equal to 1% of the estimated general funds
15 revenues to the Budget Stabilization Fund.

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

20 The balance of the Budget Stabilization Fund shall not
21 exceed 7.5% of the total of general funds revenues estimated
22 for that fiscal year. Beginning in Fiscal Year 2025, once the
23 balance of the Budget Stabilization Fund is equal to 7.5% of
24 the total general funds revenues of the prior fiscal year, no
25 further transfers shall be made into the Budget Stabilization
26 Fund in that fiscal year. If any of the reports submitted under

1 Section 9.08 by the Department on Aging, the Department of
2 Central Management Services, the Department of Healthcare and
3 Family Services, the Department of Human Services, or the
4 Department of Revenue indicate that there are invoices that
5 have been submitted by that agency that may be paid from
6 appropriations in future fiscal years because appropriations
7 in the then current fiscal year are insufficient to pay those
8 invoices, then the Comptroller shall order transferred and the
9 Treasurer shall transfer from the General Revenue Fund into
10 the Health Insurance Reserve Fund, the Healthcare Provider
11 Relief Fund, or the Income Tax Refund Fund, as applicable, an
12 amount necessary to reduce those amounts to zero, but not to
13 exceed a monthly aggregate combined total for all funds of
14 1/12 of the total amount identified for transfer into those
15 funds. ~~except as provided by subsection (d) of this Section.~~

16 (d) Upon written notice from the Governor to the Clerk of
17 the House of Representatives, the Secretary of the Senate, and
18 the Secretary of State pursuant to Section 1.1 of the Short
19 Term Borrowing Act, the Comptroller may cease the order of any
20 further transfers into the Budget Stabilization Fund and may
21 order the transfer, and the Treasurer shall transfer, from the
22 Budget Stabilization Fund into the General Revenue Fund an
23 amount deemed necessary to maintain the State's accounts
24 payable at an amount less than \$3,000,000,000. If the written
25 notice has been provided, the General Assembly may make
26 transfers or appropriations from the Budget Stabilization Fund

1 for the upcoming fiscal year as necessary to provide for the
2 health, safety, and welfare of the people of the State of
3 Illinois. ~~If the balance of the Budget Stabilization Fund~~
4 ~~exceeds 7.5% of the total general funds revenues estimated for~~
5 ~~that fiscal year, the additional transfers are not required~~
6 ~~unless there are outstanding liabilities under Section 25 of~~
7 ~~the State Finance Act from prior fiscal years. If there are~~
8 ~~such outstanding Section 25 liabilities, then the Comptroller~~
9 ~~shall continue to transfer 1/12 of the total amount identified~~
10 ~~for transfer to the Budget Stabilization Fund on the first day~~
11 ~~of each month of that fiscal year or as soon thereafter as~~
12 ~~possible to be reserved for those Section 25 liabilities.~~
13 Nothing in this Act prohibits the General Assembly from
14 appropriating additional moneys into the Budget Stabilization
15 Fund.

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

26 (f) For the fiscal year beginning July 1, 2006 and for each

1 fiscal year thereafter, the budget proposal to the General
2 Assembly shall identify liabilities incurred in a prior fiscal
3 year under Section 25 of the State Finance Act and the budget
4 proposal shall provide funding as allowable pursuant to
5 subsection (d) of this Section, if applicable.

6 (g) Beginning in Fiscal Year 2025, the Commission on
7 Government Forecasting and Accountability shall provide in a
8 report to the General Assembly, the Governor, and the
9 Comptroller, by January 10 of every year, a review of the first
10 6 months of revenue for the current fiscal year. If the general
11 funds revenues for the first 6 months of the then current
12 fiscal year exceed 4% growth over the first 6 months of the
13 previous fiscal year and the Comptroller has reported accounts
14 payable of less than \$3,000,000,000, then, by the end of the
15 fiscal year, the Comptroller shall order the transfer and the
16 Treasurer shall transfer 0.5% of the updated estimated
17 revenues for that fiscal year into the Budget Stabilization
18 Fund and 0.5% of the updated estimated revenues for that
19 fiscal year into the Pension Stabilization Fund.

20 (Source: P.A. 102-1115, eff. 1-9-23.)

21 (30 ILCS 122/20)

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

24 Sec. 20. Pension Stabilization Fund.

25 (a) The Pension Stabilization Fund is hereby created as a

1 special fund in the State treasury. Moneys in the fund shall be
2 used for the sole purpose of making payments to the designated
3 retirement systems as provided in Section 25.

4 (b) For each fiscal year through State fiscal year 2014,
5 when the General Assembly's appropriations and transfers or
6 diversions as required by law from general funds do not exceed
7 99% of the estimated general funds revenues pursuant to
8 subsection (a) of Section 10, the Comptroller shall transfer
9 from the General Revenue Fund as provided by this Section a
10 total amount equal to 0.5% of the estimated general funds
11 revenues to the Pension Stabilization Fund.

12 (c) For each fiscal year through State fiscal year 2014,
13 when the General Assembly's appropriations and transfers or
14 diversions as required by law from general funds do not exceed
15 98% of the estimated general funds revenues pursuant to
16 subsection (b) of Section 10, the Comptroller shall transfer
17 from the General Revenue Fund as provided by this Section a
18 total amount equal to 1.0% of the estimated general funds
19 revenues to the Pension Stabilization Fund.

20 (c-5) In addition to any other amounts required to be
21 transferred under this Section, in State fiscal year 2016 and
22 each fiscal year thereafter through State fiscal year 2045, or
23 when each of the designated retirement systems, as defined in
24 Section 25, has achieved 100% funding, whichever occurs first,
25 the State Comptroller shall order transferred and the State
26 Treasurer shall transfer from the General Revenue Fund to the

1 Pension Stabilization Fund an amount equal to 10% of (1) the
2 sum of the amounts certified by the designated retirement
3 systems under subsection (a-5) of Section 2-134, subsection
4 (a-10) of Section 14-135.08, subsection (a-10) of Section
5 15-165, and subsection (a-10) of Section 16-158 of this Code
6 for that fiscal year minus (2) the sum of (i) the transfer
7 required under subsection (c-10) of this Section for that
8 fiscal year and (ii) the sum of the required State
9 contributions certified by the retirement systems under
10 subsection (a) of Section 2-134, subsection (a-5) of Section
11 14-135.08, subsection (a-5) of Section 15-165, and subsection
12 (a-5) of Section 16-158 of this Code for that fiscal year. The
13 transferred amount is intended to represent one-tenth of the
14 annual savings to the State resulting from the enactment of
15 this amendatory Act of the 98th General Assembly.

16 (c-10) In State fiscal year 2019, the State Comptroller
17 shall order transferred and the State Treasurer shall transfer
18 \$364,000,000 from the General Revenue Fund to the Pension
19 Stabilization Fund. In State fiscal year 2020 and each fiscal
20 year thereafter until terminated under subsection (c-15), the
21 State Comptroller shall order transferred and the State
22 Treasurer shall transfer \$1,000,000,000 from the General
23 Revenue Fund to the Pension Stabilization Fund.

24 (c-15) The transfers made beginning in State fiscal year
25 2020 pursuant to subsection (c-10) of this Section shall
26 terminate at the end of State fiscal year 2045 or when each of

1 the designated retirement systems, as defined in Section 25,
2 has achieved 100% funding, whichever occurs first.

3 (d) The Comptroller shall transfer 1/12 of the total
4 amount to be transferred each fiscal year under this Section
5 into the Pension Stabilization Fund on the first day of each
6 month of that fiscal year or as soon thereafter as possible;
7 except that the final transfer of the fiscal year shall be made
8 as soon as practical after the August 31 following the end of
9 the fiscal year.

10 Until State fiscal year 2015, before the final transfer
11 for a fiscal year is made, the Comptroller shall reconcile the
12 estimated general funds revenues used in calculating the other
13 transfers under this Section for that fiscal year with the
14 actual general funds revenues for that fiscal year. The final
15 transfer for the fiscal year shall be adjusted so that the
16 total amount transferred under this Section for that fiscal
17 year is equal to the percentage specified in subsection (b) or
18 (c) of this Section, whichever is applicable, of the actual
19 general funds revenues for that fiscal year. The actual
20 general funds revenues for the fiscal year shall be calculated
21 in a manner consistent with subsection (c) of Section 10 of
22 this Act.

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

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

1 Sec. 20. Pension Stabilization Fund.

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

6 (b) For each fiscal year when the General Assembly's
7 appropriations and transfers or diversions as required by law
8 from general funds do not exceed 99% of the estimated general
9 funds revenues pursuant to subsection (a) of Section 10, the
10 Comptroller shall transfer from the General Revenue Fund as
11 provided by this Section a total amount equal to 0.5% of the
12 estimated general funds revenues to the Pension Stabilization
13 Fund. Beginning in Fiscal Year 2025, for each fiscal year when
14 the General Assembly's appropriations and transfers or
15 diversions as required by law from general funds do not exceed
16 99% of the estimated general funds revenues pursuant to
17 subsection (a) of Section 10 and the Budget Stabilization Fund
18 is equal to 7.5% of general funds revenues, the Comptroller
19 shall transfer from the General Revenue Fund as provided by
20 this Section a total amount equal to 1% of the estimated
21 general funds revenues into the Pension Stabilization Fund.

22 (c) Through Fiscal Year 2024, For each fiscal year when
23 the General Assembly's appropriations and transfers or
24 diversions as required by law from general funds do not exceed
25 98% of the estimated general funds revenues pursuant to
26 subsection (b) of Section 10, the Comptroller shall transfer

1 from the General Revenue Fund as provided by this Section a
2 total amount equal to 1.0% of the estimated general funds
3 revenues to the Pension Stabilization Fund.

4 (d) The Comptroller shall transfer 1/12 of the total
5 amount to be transferred each fiscal year under this Section
6 into the Pension Stabilization Fund on the first day of each
7 month of that fiscal year or as soon thereafter as possible;
8 except that the final transfer of the fiscal year shall be made
9 as soon as practical after the August 31 following the end of
10 the fiscal year.

11 Before the final transfer for a fiscal year is made, the
12 Comptroller shall reconcile the estimated general funds
13 revenues used in calculating the other transfers under this
14 Section for that fiscal year with the actual general funds
15 revenues for that fiscal year. The final transfer for the
16 fiscal year shall be adjusted so that the total amount
17 transferred under this Section for that fiscal year is equal
18 to the percentage specified in subsection (b) or (c) of this
19 Section, whichever is applicable, of the actual general funds
20 revenues for that fiscal year. The actual general funds
21 revenues for the fiscal year shall be calculated in a manner
22 consistent with subsection (c) of Section 10 of this Act.

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

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.