

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 1. Short title. This Act may be cited as the Fiscal
5 Integrity of Special State Funds Commission Act.

6 Section 5. Findings and purpose. The General Assembly finds
7 that:

8 (a) The State of Illinois currently has over 700 special
9 funds within the State treasury, collecting funds from a wide
10 range of sources specified in their respective enabling laws.

11 (b) From Fiscal Years 2004 through 2007, the Illinois State
12 Budget was funded in part by administrative chargebacks
13 totaling over \$700 million. From Fiscal Years 2003 through
14 2010, legislatively authorized transfers known as fund sweeps
15 totaled over \$1.2 billion, with an additional \$1 billion in
16 other fund transfers being made during those same fiscal years.
17 In Fiscal Year 2011, consolidated services transfers exceeded
18 \$179 million, and inter-fund borrowing exceeded \$496 million.

19 (c) Currently, four statutes protect specific funds from
20 transfers, chargebacks and other forms of fund sweeps. In the
21 2013 Spring Session of the 98th General Assembly, 2
22 constitutional amendment resolutions and 34 bills and
23 amendments have been filed that include language protecting

1 certain funds from transfers, chargebacks and other forms of
2 fund sweeps.

3 (d) Notwithstanding the impact of Public Act 96-958, which
4 requires the repayment of certain fund transfers within 18
5 months from the date of transfer, the annual budget of the
6 State of Illinois remains dependent in part on various forms of
7 transfers and borrowing from special funds in the State
8 treasury.

9 Section 10. Fiscal Integrity of Special State Funds
10 Commission.

11 (a) There is created the Fiscal Integrity of Special State
12 Funds Commission. The Commission shall have 10 voting members
13 appointed as follows:

14 One member of the General Assembly, who shall serve as
15 co-chairperson, and one member of the public appointed by
16 the President of the Senate;

17 One member of the General Assembly and one member of
18 the public appointed by the Minority Leader of the Senate;

19 One member of the General Assembly, who shall serve as
20 co-chairperson, and one member of the public appointed by
21 the Speaker of the House of Representatives;

22 One member of the General Assembly and one member of
23 the public appointed by the Minority Leader of the House of
24 Representatives; and

25 2 members appointed by the Governor.

1 The State Comptroller, or his or her designee, the
2 State Treasurer, or his or her designee, and the Director
3 of the Department of Revenue, or his or her designee, shall
4 serve as non-voting, ex-officio members of the Commission.

5 (b) The co-chairpersons may appoint such other individuals
6 as they may deem helpful as non-voting members of the
7 Commission.

8 (c) The members of the Commission shall serve without
9 compensation, but may be reimbursed for expenses from funds
10 appropriated for that purpose.

11 (d) The Department of Revenue shall provide administrative
12 support, together with meeting space, to assist the Commission
13 in fulfilling its mission. The Governor's Office of Management
14 and Budget and the Commission on Government Forecasting and
15 Accountability shall provide information and assistance, as
16 requested, to the Commission in fulfilling its mission.

17 Section 15. Meetings.

18 (a) The Commission shall conduct monthly meetings,
19 conference calls, or both, and shall conduct at least 2 public
20 hearings, as the co-chairpersons shall direct, before filing
21 its final written findings and recommendations as provided in
22 Section 25 of this Act. Additional public hearings may be held
23 at the discretion of the co-chairpersons.

24 (b) The public hearings shall be held at geographically
25 convenient locations around the State. The locations, dates,

1 and times of the hearings shall be determined by the
2 co-chairpersons on a schedule that is publicly announced no
3 less than 3 weeks in advance of each hearing. All hearings
4 shall be completed at least 2 months prior to the time for
5 submission of the final written findings and recommendations as
6 provided in Section 25 of this Act.

7 (c) At the public hearings, the Commission shall allow
8 interested persons to present their views and comments and to
9 present any written literature, statements, articles, or
10 comments. Based on attendance and time frames, the Commission
11 may set limits on the time each speaker may comment. These
12 hearings may be continued if all persons cannot be heard.

13 Section 20. Activities and purpose.

14 (a) The Commission shall conduct a thorough review of the
15 use of various forms of transfers and borrowing from special
16 funds in the State treasury in constructing the annual budget
17 for the State of Illinois.

18 (b) The Commission shall also conduct an analysis of the
19 effect of Public Act 96-958 on special fund transfers since it
20 took effect on July 1, 2010.

21 (c) The Commission shall also conduct a review of the use
22 of various forms of fund transfers by other states in their
23 annual budgeting processes.

24 (d) Through a review of budget documents including budget
25 implementation legislation, the public hearings required in

1 Section 15 of this Act and otherwise, the Commission shall
2 gather information, review studies, evaluate testimony, and
3 consider and summarize written comments received, and shall
4 make written findings and recommendations as required in
5 Section 25 of this Act.

6 Section 25. Report; legislation.

7 (a) The Commission shall make its report to the General
8 Assembly on or before December 31, 2014. The report of the
9 Commission shall detail those findings and recommendations
10 supported by a majority of the voting members.

11 (b) The findings and recommendations shall include, but are
12 not limited to:

13 (1) A comparison of the specific purposes (as set forth
14 in statute or rule) for which funds are being collected
15 with the purposes for which funds are being used upon
16 transfer out of their respective special funds in the State
17 treasury.

18 (2) A determination of whether certain special funds
19 should be consolidated, and the findings and criteria upon
20 which such recommendations were made.

21 (3) A determination of whether adjustments should be
22 made to the collection of moneys through special funds,
23 identifying the specific funds and the findings and
24 criteria upon which such recommendations were made.

25 (4) Identification of replacement sources of revenue

1 to balance any loss of revenue that would result from the
2 Commission's other recommendations.

3 (5) A determination of whether a consolidated budget
4 including some or all of the special funds should be
5 prepared and publicly available on an annual basis.

6 (c) In addition to the report, the Commission shall provide
7 to the General Assembly its recommendations in the form of
8 legislation. The Legislative Reference Bureau shall provide
9 drafting assistance to the Commission.

10 Section 30. Repealer. This Act is repealed on December 31,
11 2015.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.