

1 AN ACT concerning State budget stabilization.

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  
5 Rainy Day Budget Stabilization and Children First Act.

6 Section 5. Budget Stabilization Fund. The Budget  
7 Stabilization Fund is established as a special fund in the  
8 State treasury in order to reduce the need for future tax  
9 increases, maintain the highest possible bond rating, reduce  
10 the need for short term borrowing, and provide available  
11 resources to meet State obligations whenever casual deficits  
12 or failures in revenue occur.

13 Section 10. Children First Reserve Fund. The Children  
14 First Reserve Fund is established as a special fund in the  
15 State treasury to retain State revenues for the education,  
16 care, health, and safety of children.

17 Section 15. Payments into the Budget Stabilization Fund  
18 and the Children First Reserve Fund.

19 (a) During fiscal year 2002, the Comptroller shall  
20 transfer a total of \$50,000,000 into the Budget Stabilization  
21 Fund and shall transfer a total of \$50,000,000 into the  
22 Children First Reserve Fund.

23 (b) Beginning with fiscal year 2003, for every fiscal  
24 year in which the anticipated revenues into the State's  
25 general funds are estimated by the Governor to exceed the  
26 prior year's general funds revenue by more than 4%, the  
27 Comptroller shall transfer from the General Revenue Fund into  
28 the Budget Stabilization Fund an amount equal to 0.125% of  
29 the anticipated general funds revenues and shall transfer

1 from the General Revenue Fund into the Children First Reserve  
2 Fund an amount equal to 0.125% of the anticipated general  
3 funds revenues.

4 (c) The Comptroller shall transfer 1/12 of the total  
5 amount to be transferred each fiscal year into the  
6 appropriate fund under subsection (b) on the first day of  
7 each month of that fiscal year or as soon thereafter as  
8 possible.

9 (d) At any time during the fiscal year, the Governor,  
10 Comptroller, and Treasurer may agree to suspend any payment,  
11 or a portion of any payment, that is required by this  
12 Section. Payments into the Budget Stabilization Fund and  
13 Children First Reserve Fund shall resume upon the agreement  
14 of the Governor, Comptroller, and Treasurer.

15 (e) If the balance in the Budget Stabilization Fund or  
16 in the Children First Reserve Fund exceeds 2% of the  
17 Governor's estimate of total general funds revenues for that  
18 fiscal year, any subsequent transfers required by this  
19 Section to the fund shall be suspended for that fiscal year.

20 Section 20. Use of the Budget Stabilization Fund.

21 (a) The Governor, Comptroller, and Treasurer may, upon a  
22 determination that there are insufficient resources available  
23 within the general funds of the State to meet the State's  
24 obligations, direct the transfer of moneys in the Budget  
25 Stabilization Fund to the general funds of the State. The  
26 timing and the amount of these transfers shall be specified  
27 and agreed upon by the Governor, Comptroller, and Treasurer.

28 (b) If the transfers in subsection (a) were deemed  
29 necessary by the Governor, Comptroller, and Treasurer solely  
30 for the purpose of facilitating cash flow within the same  
31 fiscal year, the Governor, Comptroller, and Treasurer shall  
32 direct the repayment from the general funds into the Budget  
33 Stabilization Fund of the amounts transferred under

1 subsection (a) by the end of the same fiscal year or as soon  
2 thereafter as possible.

3 Section 25. Use of the Children First Reserve Fund.

4 (a) The Governor, Comptroller, and Treasurer may, upon a  
5 determination that there are insufficient resources available  
6 to meet the State's obligations in funding educational and  
7 child care programs, direct the transfer of moneys in the  
8 Children First Reserve Fund to the appropriate funds of the  
9 State. The transfer of such funds shall be limited to  
10 programs for (i) elementary and secondary education, (ii)  
11 child care, and (iii) other programs that provide a direct  
12 benefit to children. The timing and the amount of the  
13 transfers shall be specified and agreed upon by the Governor,  
14 Comptroller, and Treasurer.

15 (b) If the transfers in subsection (a) were deemed  
16 necessary by the Governor, Comptroller, and Treasurer solely  
17 for the purpose of facilitating cash flow within the same  
18 fiscal year, the Governor, Comptroller, and Treasurer shall  
19 direct the repayment from the appropriate fund into the  
20 Children First Reserve Fund of the amounts transferred under  
21 subsection (a) by the end of the same fiscal year or as soon  
22 thereafter as possible.

23 Section 95. The State Finance Act is amended by adding  
24 Sections 5.545 and 5.546 as follows:

25 (30 ILCS 105/5.545 new)

26 Sec. 5.545. The Budget Stabilization Fund.

27 (30 ILCS 105/5.546 new)

28 Sec. 5.546. The Children First Reserve Fund.

29 Section 99. Effective Date. This Act takes effect upon

1 becoming law.