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September 10, 2019

The Honorable Keith P. Wheeler
Assistant Republican Leader
200-5N Stratton Building
Springfield, Illinois 62706

(Emailed only, to [REDACTED])

Dear Representative Wheeler:

STATE POLICE FUNDS SWEEPS AND TRANSFERS

[REDACTED] of the House Republican Staff asked us on your behalf for information about funds used by the Department of State Police for three firearms-related purposes. He asked for information on sweeps or other transfers in the past 5 years from funds supporting those three purposes, and what effects the transfers had on State Police operations for those purposes. The three purposes are administration of the Firearm Owner's Identification (FOID) card program; background checks for firearms-related services; and concealed-carry licensing.

In addition to the general question about funds used to administer those three functions, [REDACTED] mentioned three funds that likely support the programs: the State Police Firearm Services Fund; State Police Services Fund; and State Police Operations Assistance Fund. We describe below what we found.

Funds for Firearm Services Operations

State Police staff told us that the Firearm Services Fund is used to pay for the three purposes mentioned above.¹ Table 1 on the next page shows, for each of the last 5 fiscal years,

the Fund's beginning and ending balances, appropriations, revenues, expenditures, and transfers (including both interfund borrowing and fund sweeps). Numbers shown in the table may not match one another exactly because starting and ending balances are based on June 30 available balances as listed in the Comptroller's *Detailed Annual Report* and SB05 Report, but spending includes transactions in the lapse period.

Table 1: State Police Firearm Services Fund Balances, Revenues, and Spending, FYs 2015-2019

<i>Fiscal year</i>	<i>Starting balance</i>	<i>Appropriation</i>	<i>Revenue</i>	<i>Spending</i>	<i>Transfers*</i>	<i>Ending balance</i>
2015	\$6,555,089	\$22,000,000	\$10,690,602	\$5,966,901	\$6,000,000	\$5,154,564
2016	5,154,564	22,000,000	9,829,305	7,683,456	6,152	9,807,507
2017	9,807,507	22,000,000	8,913,886	7,359,778	0	9,030,312
2018	9,030,312	22,000,000	8,147,085	6,935,574	7,200,000	2,855,915
2019	2,855,915	22,000,000	13,285,392	9,426,792	4,116	7,388,210

* Transfers include both fund sweeps and interfund borrowing.

Sources: State Comptroller's *Detailed Annual Report* for FYs 2015-2017, Report SB05 for selected months, and Report ST10 for June in FYs 2015-2019; and email message from Tim Cray, Assistant Fiscal Officer, Office of Finance, Illinois State Police, Sep. 5, 2019.

The Department did not answer our questions about the effects of fund transfers (whether they affected firearm services operations).² Similarly, we do not express an opinion on the operational impacts of fund sweeps and interfund borrowing. However, state laws authorizing transfers may require that borrowing and sweeps avoid affecting operations. For example, the FY 2018 Budget Implementation Act, which authorized interfund borrowing and fund sweeps, required that money be transferred back to a fund from which it had been swept or borrowed if that fund has "insufficient cash" to support appropriated spending.³

Other Funds for State Police Operations

In addition to the State Police Firearm Services Fund, ██████ ██████ asked about the State Police Operations Assistance Fund and the State Police Services Fund. Appendix A to this letter shows, for each of the last 5 fiscal years, transfers out of the State Police Firearm Services Fund and those other two funds, and where the money was transferred. The notes for each fund indicate whether transfers were sweeps or interfund borrowing.


██████████ said we could include information on transfers from any fund used by the State Police if that would be helpful. However, in conversations with State Police staff, we learned that the Firearm Services Fund is the only fund used for the purposes that ██████████ asked about. Thus, information on transfers from all funds used by the Department may not be relevant to his question. However, we can compile such information if it would be helpful.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,



Thomas J. Bazan
Assistant Research Administrator



Lynnae Kapp
Senior Analyst

TJB:LK:ag

Notes

1. Email messages from Tim Cray, Assistant Fiscal Officer, Office of Finance, Department of State Police, Sept. 5, 2019.
2. Telephone conversation with Tim Cray, Aug. 28, 2019.
3. P.A. 100-23 (2017), adding 30 ILCS 105/5h.5(b) and 30 ILCS 105/8.52(b).

Appendix A: Transfers Out of State Police Firearm Services Fund, State Police Operations Assistance Fund, and State Police Services Fund, FYs 2015-2019

From		To		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5-YR TOTAL
0209	State Police	0001	General Revenue Fund (GRF)*	\$6,000,000	\$0	\$0	\$7,200,000	\$0	\$13,200,000
	Firearm Services Fund	0342	Audit Expense fund	0	6,152	0	0	4,116	10,268
			SUBTOTAL	\$6,000,000	\$6,152	\$0	\$7,200,000	\$4,116	\$13,210,268

* The FY 2015 GRF amount was for Interfund Borrowing, which has not been paid back. The FY 2018 GRF amount was for Fund Sweeps that do not get paid back.

From		To		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5-YR TOTAL
0817	State Police Operations Assistance Fund	0001	General Revenue Fund†	\$0	\$0	\$0	\$1,022,000	\$0	\$1,022,000
			SUBTOTAL	\$0	\$0	\$0	\$1,022,000	\$0	\$1,022,000

† The FY 2018 GRF amount was for Fund Sweeps that do not get paid back.

From		To		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5-YR TOTAL
0906	State Police Services Fund	0001	General Revenue Fund‡	\$11,000,000	\$0	\$0	\$3,500,000	\$0	\$14,500,000
		0317	Professional Services Fund	8,500	12,200	22,100	47,300	51,200	141,300
		0332	Workers' Compensation Revolving Fund	123,100	122,600	106,700	117,600	154,300	624,300
		0342	Audit Expense fund	0	0	19,425	0	11,485	30,910
			SUBTOTAL	\$11,131,600	\$134,800	\$148,225	\$3,664,900	\$216,985	\$15,296,510

‡ \$6 million of the FY 2015 GRF Transfers were Fund Sweeps which do not get paid back, and the other \$5 million was Interfund Borrowing which hasn't been paid back. The FY 2018 GRF amount was for Fund Sweeps that do not get paid back.

Source: Office of the Comptroller's ST10 Fund Transfer Reports for FYs 2015-2019.

Notes

As part of the FY 2017 Stoppag Budget Implementation Act [P.A. 99-523 (2016) changed in section 105/5k(b)], the requirement for GRF to pay back the amounts from the FY 2015 Interfund Borrowing within 18 months was eliminated, which effectively leaves open when the amounts would be paid back, if ever.

Statutes for the Interfund Borrowing of FY 2015 [P.A. 98-682 (2014), adding 30 ILCS 105/5k(b)] and FY 2018 [P.A. 100-23 (2017), adding 30 ILCS 105/5h.5(b)] and the Fund Sweeps of FY 2015 [P.A. 99-2 (2015), adding 30 ILCS 105/8.50(c)] and FY 2018 [P.A. 100-23 (2017), adding 30 ILCS 105/8.52(b)] all include language that states that if an amount that was borrowed is needed back in the originating fund for expenditures, then the amount needed would be transferred back.

The transfers out to non-GRF funds are for specific purposes required by law: Audit Expense Fund for audits of the State Police regarding the uses of the money in the Fund; Workers' Compensation Revolving Fund for State Police-related workers' compensation claims; and the Professional Service Fund is paid to CMS for services CMS provides the State Police.