

1 AN ACT concerning the Illinois Economic and Fiscal
2 Commission.

3 Be it enacted by the People of the State of Illinois,
4 represented in the General Assembly:

5 Section 5. The State Employees Group Insurance Act of
6 1971 is amended by changing Section 6.5 as follows:

7 (5 ILCS 375/6.5)

8 (Section scheduled to be repealed on July 1, 2004)

9 Sec. 6.5. Health benefits for TRS benefit recipients and
10 TRS dependent beneficiaries.

11 (a) Purpose. It is the purpose of this amendatory Act
12 of 1995 to transfer the administration of the program of
13 health benefits established for benefit recipients and their
14 dependent beneficiaries under Article 16 of the Illinois
15 Pension Code to the Department of Central Management
16 Services.

17 (b) Transition provisions. The Board of Trustees of the
18 Teachers' Retirement System shall continue to administer the
19 health benefit program established under Article 16 of the
20 Illinois Pension Code through December 31, 1995. Beginning
21 January 1, 1996, the Department of Central Management
22 Services shall be responsible for administering a program of
23 health benefits for TRS benefit recipients and TRS dependent
24 beneficiaries under this Section. The Department of Central
25 Management Services and the Teachers' Retirement System shall
26 cooperate in this endeavor and shall coordinate their
27 activities so as to ensure a smooth transition and
28 uninterrupted health benefit coverage.

29 (c) Eligibility. All persons who were enrolled in the
30 Article 16 program at the time of the transfer shall be
31 eligible to participate in the program established under this

1 Section without any interruption or delay in coverage or
2 limitation as to pre-existing medical conditions.
3 Eligibility to participate shall be determined by the
4 Teachers' Retirement System. Eligibility information shall
5 be communicated to the Department of Central Management
6 Services in a format acceptable to the Department.

7 (d) Coverage. The level of health benefits provided
8 under this Section shall be similar to the level of benefits
9 provided by the program previously established under Article
10 16 of the Illinois Pension Code.

11 Group life insurance benefits are not included in the
12 benefits to be provided to TRS benefit recipients and TRS
13 dependent beneficiaries under this Act.

14 The program of health benefits under this Section may
15 include any or all of the benefit limitations, including but
16 not limited to a reduction in benefits based on eligibility
17 for federal medicare benefits, that are provided under
18 subsection (a) of Section 6 of this Act for other health
19 benefit programs under this Act.

20 (e) Insurance rates and premiums. The Director shall
21 determine the insurance rates and premiums for TRS benefit
22 recipients and TRS dependent beneficiaries, and shall present
23 to the Teachers' Retirement System of the State of Illinois
24 and the Illinois Economic and Fiscal Commission, by April 15
25 of each calendar year, the rate-setting methodology
26 (including but not limited to utilization levels and costs)
27 used to determine the amount of the health care premiums.

28 For Fiscal Year 1996, the premium shall be equal to the
29 premium actually charged in Fiscal Year 1995; in subsequent
30 years, the premium shall never be lower than the premium
31 charged in Fiscal Year 1995. For Fiscal Year 2003, the
32 premium shall not exceed 110% of the premium actually charged
33 in Fiscal Year 2002. For Fiscal Year 2004, the premium shall
34 not exceed 112% of the premium actually charged in Fiscal

1 Year 2003.

2 Rates and premiums may be based in part on age and
3 eligibility for federal medicare coverage.

4 The cost of health benefits under the program shall be
5 paid as follows:

6 (1) For a TRS benefit recipient selecting a managed
7 care program, up to 75% of the total insurance rate shall
8 be paid from the Teacher Health Insurance Security Fund.

9 (2) For a TRS benefit recipient selecting the major
10 medical coverage program, up to 50% of the total
11 insurance rate shall be paid from the Teacher Health
12 Insurance Security Fund if a managed care program is
13 accessible, as determined by the Teachers' Retirement
14 System.

15 (3) For a TRS benefit recipient selecting the major
16 medical coverage program, up to 75% of the total
17 insurance rate shall be paid from the Teacher Health
18 Insurance Security Fund if a managed care program is not
19 accessible, as determined by the Teachers' Retirement
20 System.

21 (4) The balance of the rate of insurance, including
22 the entire premium of any coverage for TRS dependent
23 beneficiaries that has been elected, shall be paid by
24 deductions authorized by the TRS benefit recipient to be
25 withheld from his or her monthly annuity or benefit
26 payment from the Teachers' Retirement System; except that
27 (i) if the balance of the cost of coverage exceeds the
28 amount of the monthly annuity or benefit payment, the
29 difference shall be paid directly to the Teachers'
30 Retirement System by the TRS benefit recipient, and (ii)
31 all or part of the balance of the cost of coverage may,
32 at the school board's option, be paid to the Teachers'
33 Retirement System by the school board of the school
34 district from which the TRS benefit recipient retired, in

1 accordance with Section 10-22.3b of the School Code. The
2 Teachers' Retirement System shall promptly deposit all
3 moneys withheld by or paid to it under this subdivision
4 (e)(4) into the Teacher Health Insurance Security Fund.
5 These moneys shall not be considered assets of the
6 Retirement System.

7 (f) Financing. Beginning July 1, 1995, all revenues
8 arising from the administration of the health benefit
9 programs established under Article 16 of the Illinois Pension
10 Code or this Section shall be deposited into the Teacher
11 Health Insurance Security Fund, which is hereby created as a
12 nonappropriated trust fund to be held outside the State
13 Treasury, with the State Treasurer as custodian. Any
14 interest earned on moneys in the Teacher Health Insurance
15 Security Fund shall be deposited into the Fund.

16 Moneys in the Teacher Health Insurance Security Fund
17 shall be used only to pay the costs of the health benefit
18 program established under this Section, including associated
19 administrative costs, and the costs associated with the
20 health benefit program established under Article 16 of the
21 Illinois Pension Code, as authorized in this Section.
22 Beginning July 1, 1995, the Department of Central Management
23 Services may make expenditures from the Teacher Health
24 Insurance Security Fund for those costs.

25 After other funds authorized for the payment of the costs
26 of the health benefit program established under Article 16 of
27 the Illinois Pension Code are exhausted and until January 1,
28 1996 (or such later date as may be agreed upon by the
29 Director of Central Management Services and the Secretary of
30 the Teachers' Retirement System), the Secretary of the
31 Teachers' Retirement System may make expenditures from the
32 Teacher Health Insurance Security Fund as necessary to pay up
33 to 75% of the cost of providing health coverage to eligible
34 benefit recipients (as defined in Sections 16-153.1 and

1 16-153.3 of the Illinois Pension Code) who are enrolled in
2 the Article 16 health benefit program and to facilitate the
3 transfer of administration of the health benefit program to
4 the Department of Central Management Services.

5 (g) Contract for benefits. The Director shall by
6 contract, self-insurance, or otherwise make available the
7 program of health benefits for TRS benefit recipients and
8 their TRS dependent beneficiaries that is provided for in
9 this Section. The contract or other arrangement for the
10 provision of these health benefits shall be on terms deemed
11 by the Director to be in the best interest of the State of
12 Illinois and the TRS benefit recipients based on, but not
13 limited to, such criteria as administrative cost, service
14 capabilities of the carrier or other contractor, and the
15 costs of the benefits.

16 (h) Continuation and termination of program. It is the
17 intention of the General Assembly that the program of health
18 benefits provided under this Section be maintained on an
19 ongoing, affordable basis through June 30, 2004. The program
20 of health benefits provided under this Section is terminated
21 on July 1, 2004.

22 The program of health benefits provided under this
23 Section may be amended by the State and is not intended to be
24 a pension or retirement benefit subject to protection under
25 Article XIII, Section 5 of the Illinois Constitution.

26 (i) Repeal. This Section is repealed on July 1, 2004.
27 (Source: P.A. 92-505, eff. 12-20-01.)

28 Section 10. The Illinois Economic and Fiscal Commission
29 Act is amended by changing Sections 3 and 4 as follows:

30 (25 ILCS 155/3) (from Ch. 63, par. 343)

31 Sec. 3. The Commission shall:

32 (1) Study from time to time and report to the General

1 Assembly on economic development and trends in the State.

2 (2) Make such special economic and fiscal studies as it
3 deems appropriate or desirable or as the General Assembly may
4 request.

5 (3) Based on its studies, recommend such State fiscal
6 and economic policies as it deems appropriate or desirable to
7 improve the functioning of State government and the economy
8 of the various regions within the State.

9 (4) Prepare annually a State economic report.

10 (5) Provide information for all appropriate legislative
11 organizations and personnel on economic trends in relation to
12 long range planning and budgeting.

13 (6) Study and make such recommendations as it deems
14 appropriate to the General Assembly on local and regional
15 economic and fiscal policy and on federal fiscal policy as it
16 may affect Illinois.

17 (7) Review capital expenditures, appropriations and
18 authorizations for both the State's general obligation and
19 revenue bonding authorities. At the direction of the
20 Commission, specific reviews may include economic feasibility
21 reviews of existing or proposed revenue bond projects to
22 determine the accuracy of the original estimate of useful
23 life of the projects, maintenance requirements and ability to
24 meet debt service requirements through their operating
25 expenses.

26 (8) Receive and review all executive agency and revenue
27 bonding authority annual and 3 year plans. The Commission
28 shall prepare a consolidated review of these plans, an
29 updated assessment of current State agency capital plans, a
30 report on the outstanding and unissued bond authorizations,
31 an evaluation of the State's ability to market further bond
32 issues and shall submit them as the "Legislative Capital Plan
33 Analysis" to the House and Senate Appropriations Committees
34 at least once a year. The Commission shall annually submit

1 to the General Assembly on the first Wednesday of April a
2 report on the State's long-term capital needs, with
3 particular emphasis upon and detail of the 5-year period in
4 the immediate future.

5 (9) Study and make recommendations it deems appropriate
6 to the General Assembly on State bond financing, bondability
7 guidelines, and debt management. At the direction of the
8 Commission, specific studies and reviews may take into
9 consideration short and long-run implications of State
10 bonding and debt management policy.

11 (10) Comply with the provisions of the "State Debt
12 Impact Note Act" as now or hereafter amended.

13 (11) ~~(Blank). Comply with the provisions of the Pension~~
14 ~~Impact Note Act, as now or hereafter amended.~~

15 (12) By September 15th ~~August--1st~~ of each year, the
16 Commission must prepare and cause to be published a summary
17 report of State appropriations for the State fiscal year
18 beginning the previous July 1st. The summary report must
19 discuss major categories of appropriations, the issues the
20 General Assembly faced in allocating appropriations,
21 comparisons with appropriations for previous State fiscal
22 years, and other matters helpful in providing the citizens of
23 Illinois with an overall understanding of appropriations for
24 that fiscal year. The summary report must be written in
25 plain language and designed for readability. Publication
26 must be in newspapers of general circulation in the various
27 areas of the State to ensure distribution statewide. The
28 summary report must also be published on the General
29 Assembly's web site.

30 The requirement for reporting to the General Assembly
31 shall be satisfied by filing copies of the report with the
32 Speaker, the Minority Leader and the Clerk of the House of
33 Representatives and the President, the Minority Leader and
34 the Secretary of the Senate and the Legislative Research

1 Unit, as required by Section 3.1 of "An Act to revise the law
 2 in relation to the General Assembly", approved February 25,
 3 1874, as amended, and filing such additional copies with the
 4 State Government Report Distribution Center for the General
 5 Assembly as is required under paragraph (t) of Section 7 of
 6 the State Library Act.

7 (Source: P.A. 92-67, eff. 7-12-01.)

8 (25 ILCS 155/4) (from Ch. 63, par. 344)

9 Sec. 4. (a) The Commission shall publish, at the
 10 convening of each regular session of the General Assembly, a
 11 report on the estimated income of the State from all
 12 applicable revenue sources for the next ensuing fiscal year
 13 and of any other funds estimated to be available for such
 14 fiscal year. On the third Wednesday in March after the
 15 session convenes, the Commission shall issue a revised and
 16 updated set of revenue figures reflecting the latest
 17 available information. The House and Senate by joint
 18 resolution shall adopt or modify such estimates as may be
 19 appropriate. The joint resolution shall constitute the
 20 General Assembly's estimate, under paragraph (b) of Section 2
 21 of Article VIII of the Constitution, of the funds estimated
 22 to be available during the next fiscal year.

23 (b) On the third Wednesday in March, the Commission
 24 shall issue estimated:

- 25 ~~(1) pension funding requirements under P.A. 86-273;~~
- 26 and
- 27 ~~(2) liabilities of the State employee group health~~
- 28 ~~insurance program.~~

29 These estimated costs shall be for the fiscal year
 30 beginning the following July 1.

31 (c) The requirement for reporting to the General
 32 Assembly shall be satisfied by filing copies of the report
 33 with the Speaker, the Minority Leader and the Clerk of the

1 House of Representatives and the President, the Minority
2 Leader and the Secretary of the Senate and the Legislative
3 Research Unit, as required by Section 3.1 of "An Act to
4 revise the law in relation to the General Assembly", approved
5 February 25, 1874, as amended, and filing such additional
6 copies with the State Government Report Distribution Center
7 for the General Assembly as is required under paragraph (t)
8 of Section 7 of the State Library Act.

9 (Source: P.A. 87-1142.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.