

# Statutory Transfers Out of General Revenue Funds:

*A key source of GRF that should be used to reduce harmful cuts in vital state services*

- Through so-called “statutory transfers,” more than \$2 billion in GRF is annually exempted from the rigors of annual appropriations decisions and, instead, is transferred directly into about 40 special state funds.
- Some of these special state funds – such as the Local Government Distributive Fund – are essential. Others, however, are clearly of lower priority than many vital, GRF-funded services that are on the verge of further cuts. These special-fund purposes include capital litigation (death penalty cases), horse-breeding, and tourism promotion.
- Eliminating, reducing, or temporarily suspending many such transfers out of GRF could make hundreds of millions of dollars available to reduce devastating cuts in human services, health care, schools and public safety in FY2012.
- The Senate and the Governor’s Office of Management and Budget, working together, have identified about \$163 million in statutory transfers from GRF that should be put to higher use by helping minimize the number and extent of budget cuts in FY2012.
- Illinois has precedent for doing this: During the last recession, in FY2002-2003, some statutory transfers out of GRF were temporarily suspended to free-up badly needed resources and reduce budget cuts.

**In this era of diminished resources and devastating cuts, it is the General Assembly’s responsibility to scrutinize all – and not just some – uses of GRF.**

**Legislators do have options for striking a better balance, making more reasonable and efficient use of existing revenues.**

**There are ways to avoid many budget cuts that are as unnecessary as they are painful for families and communities throughout Illinois.**



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05.16.11