

State of Illinois
OFFICE OF THE GOVERNOR
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Rod Blagojevich
GOVERNOR

August 12, 2003

To the Honorable Members of the
Illinois Senate
93rd General Assembly

Pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return Senate Bill 1757, entitled "AN ACT concerning budget stabilization", with the following specific recommendations for change:

on page 1, line 22, after "appropriations", by inserting ", and transfers or diversions as required by law,"; and

on page 1, line 27, after "appropriations", by inserting ", and transfers or diversions as required by law,"; and

on page 2, between lines 2 and 3, by inserting the following:

"(c) For purposes of this Act, "estimated general funds revenues" are defined as the total amount of revenues as presented in the Governor's State budget pursuant to Section 50-5 of the State Budget Law of the Civil Administrative Code of Illinois. These estimated general funds revenues include, for each budget year, all taxes, fees, and other revenues expected to be deposited into the State's general funds, including recurring transfers from other State funds into the general funds.

Year-over-year comparisons used to determine the percentage growth factor of estimated general funds revenues shall exclude the sum of the following: (i) expected revenues resulting from new taxes or fees or from tax or fee increases during the first year of the change, (ii) expected revenues resulting from one-time receipts or non-recurring transfers in, (iii) expected proceeds resulting from borrowing, and (iv) increases in federal grants that must be completely appropriated based on the terms of the grants."; and

on page 2, line 3, by replacing "and" with "."; and

on page 2, by replacing line 4 with the following:

"In furtherance of the State's objective for the Budget Stabilization Fund to have resources representing 5% of the State's annual general funds revenues:"; and

on page 2, line 6, after "appropriations", by inserting ", and transfers or diversions as required by law,"; and

on page 2, by replacing lines 11 and 12 with “to the Budget Stabilization Fund.”; and

on page 2, line 14, after “appropriations”, by inserting “, and transfers or diversions as required by law,”; and

on page 2, by replacing lines 19 and 20 with “the Budget Stabilization Fund.”; and

on page 2, line 26, by replacing “4%” with “5%”; and

on page 2, line 27, after “year”, by inserting “except as provided by subsection (d) of this Section”; and

on page 2, line 29, by replacing “4%” with “5%”; and

by replacing line 30 on page 2 through line 4 on page 3 with the following:
“that fiscal year, then additional transfers are not required unless there are outstanding liabilities under Section 25 of the State Finance Act from prior fiscal years. If there are such outstanding Section 25 liabilities, then the Comptroller shall continue to transfer 1/12 of the total amount identified for transfer to the Budget Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible to be reserved for those Section 25 liabilities. Nothing in this Act prohibits the General Assembly from appropriating additional moneys into the Budget Stabilization Fund.

(e) On or before August 31 of each fiscal year, the amount determined to be transferred to the Budget Stabilization Fund shall be reconciled to actual general funds revenues for the fiscal year. The final transfer for each fiscal year shall be adjusted so that the amount transferred is equal to the percentage specified in subsection (a) or (b) of Section 10 of this Act, as applicable, based on actual general funds revenues calculated consistently with subsection (c) of Section 10 of this Act for each fiscal year.”; and

on page 3, by replacing line 6 with “Section 6z-51 as”; and

on page 3, by deleting lines 8 and 9; and

on page 3, line 20, after “meet”, by inserting “cash flow”; and

by deleting lines 26 through 30 on page 3 and deleting lines 1 through 4 on page 4.

With these changes, Senate Bill 1757 will have my approval. I respectfully request your concurrence.

Sincerely,
Rod Blagojevich
Governor