

1 AN ACT concerning finance.

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

4 Section 5. The Illinois State Auditing Act is amended by
5 adding Section 2-15 as follows:

6 (30 ILCS 5/2-15 new)

7 Sec. 2-15. Appropriation Earmarks Unit.

8 (a) As used in this Section:

9 "Earmarked appropriation" means an appropriation for a
10 grant or distribution to a specific unit of local government,
11 specific school district, specific not-for-profit
12 organization, or specific non-governmental entity for
13 infrastructure improvements or operating expenses. The term
14 shall also include a grant or distribution made from a lump sum
15 appropriation to a specific unit of local government, specific
16 school district, specific not-for-profit organization, or
17 specific non-governmental entity for infrastructure
18 improvements or operating expenses. Appropriations that are
19 part of a statewide program and are based on generally
20 applicable standards of eligibility are not earmarked
21 appropriations.

22 "Infrastructure improvements" include without limitation
23 capital improvements, capital projects, planning,

1 construction, reconstruction, equipment, utilities, vehicles,
2 and all costs associated with economic development, community
3 programs, educational programs, public health, and public
4 safety.

5 "Operating expenses" includes expenditures made by the
6 recipient entity for its own administrative purposes,
7 including but not limited to personal services, equipment, real
8 property, debt service, travel, and commodities.

9 "Unit" means the Appropriation Earmarks Unit of the Office
10 of the Auditor General, established by this Section.

11 (b) The Office of the Auditor General shall establish and
12 administer within the Office an Appropriation Earmarks Unit.
13 The primary function of the Unit shall be the review and
14 auditing of earmarked appropriations of State funds.

15 (c) On or before July 31 of each fiscal year, every State
16 agency shall provide a list to the Auditor General of all
17 grants and distributions meeting this Section's definition of
18 "earmarked appropriation" made by the State agency during the
19 previous fiscal year. The list shall contain each recipient's
20 name and address, the date and amount of distribution, the fund
21 from which the distribution was made, and the purpose of the
22 distribution. For purposes of this Section, "State agency"
23 shall include agencies in the executive or legislative branch
24 of State government created by the Illinois Constitution or
25 State statute.

26 (d) To the extent resources permit, the Unit shall select a

1 sample of earmarked appropriations reported to it by the State
2 agencies and conduct a review to determine whether the State
3 agencies distributed the earmarked appropriation in accordance
4 with all applicable laws and whether the recipient entity used
5 the earmarked appropriation for its intended purpose and
6 complied with all applicable requirements. The Auditor
7 General's conclusions may be published in a single report or in
8 multiple reports, which shall include a complete list of all
9 earmarked appropriations reported to it by the State agencies.

10 (e) The Unit shall include operation of a telephone hot
11 line through which suggestions for audits of State-funded grant
12 programs or earmarked appropriations may be made. To the extent
13 possible, the identity of individuals contacting the hotline
14 shall be kept confidential. The Auditor General may refer
15 suggestions for audits of State-funded grant programs or
16 earmarked appropriations to the State agency involved in the
17 distribution.

18 (f) Notwithstanding any provision of law to the contrary,
19 the Legislative Audit Commission may direct the Auditor General
20 to conduct a performance audit of an earmarked appropriation
21 upon a majority vote of the Commission.

22 (g) Audits conducted under this Section and reports
23 prepared under this Section shall be public records and shall
24 be filed with the Legislative Audit Commission as provided by
25 rule of the Commission.

26 Section 99. Effective date. This Act takes effect July 1,

1 2009.