



## 96TH GENERAL ASSEMBLY

### State of Illinois

### 2009 and 2010

### HB6878

by Rep. Carol A. Sente

#### SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-5	
15 ILCS 20/50-7 new	
15 ILCS 20/50-10	was 15 ILCS 20/38.1
15 ILCS 20/50-25 new	
20 ILCS 3005/2.1	from Ch. 127, par. 412.1
25 ILCS 155/3	from Ch. 63, par. 343
25 ILCS 155/4	from Ch. 63, par. 344

Amends the State Budget Law of the Civil Administrative Code of Illinois. Requires the Governor to prepare quarterly budget statements and to present periodic budget addresses to the General Assembly. Provides that appropriations may be adjusted during the fiscal year by means of one or more supplemental appropriation bills if any State agency either fails to meet or exceeds certain goals. Provides that, prior to the submission of the State budget, the Governor and each constitutional officer, in consultation with the appropriation committees of the General Assembly, shall set certain statewide priorities and goals for the next fiscal year. Provides that the Governor shall recommend that appropriations be made to State agencies based on those agreed upon priorities and goals. Provides that appropriations committees must review individual line item expenditures and the total budget for each Department. Amends the Governor's Office of Management and Budget Act and the Commission on Government Forecasting and Accountability Act to provide that the Commission's revenue estimates must be prepared with any requested consultation from the Governor's Office of Management and Budget. Effective immediately.

LRB096 22430 HLH 41641 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The State Budget Law of the Civil Administrative  
5 Code of Illinois is amended by changing Sections 50-5 and 50-10  
6 and by adding Sections 50-7 and 50-25 as follows:

7 (15 ILCS 20/50-5)

8 Sec. 50-5. Governor to submit State budget.

9 (a) The Governor shall, as soon as possible and not later  
10 than the second Wednesday in March in 2010 (March 10, 2010) and  
11 the third Wednesday in February of each year beginning in 2011,  
12 except as otherwise provided in this Section, submit a State  
13 budget, embracing therein the amounts recommended by the  
14 Governor to be appropriated to the respective departments,  
15 offices, and institutions, and for all other public purposes,  
16 the estimated revenues from taxation, the estimated revenues  
17 from sources other than taxation, and an estimate of the amount  
18 required to be raised by taxation. The amounts recommended by  
19 the Governor for appropriation to the respective departments,  
20 offices and institutions shall be formulated according to the  
21 various functions and activities for which the respective  
22 department, office or institution of the State government  
23 (including the elective officers in the executive department

1 and including the University of Illinois and the judicial  
2 department) is responsible. The amounts relating to particular  
3 functions and activities shall be further formulated in  
4 accordance with the object classification specified in Section  
5 13 of the State Finance Act. In addition, the amounts  
6 recommended by the Governor for appropriation shall take into  
7 account each State agency's effectiveness in achieving its  
8 prioritized goals for the previous fiscal year, as set forth in  
9 Section 50-25 of this Law, giving priority to agencies and  
10 programs that have demonstrated a focus on the prevention of  
11 waste and the maximum yield from resources.

12 Beginning in fiscal year 2011, the Governor shall  
13 distribute written quarterly budget statements to the General  
14 Assembly and the State Comptroller. The statements shall be  
15 submitted on Wednesday of the last week of the last month of  
16 each quarter of the fiscal year and, as is currently the  
17 practice on the effective date of this amendatory Act of the  
18 96th General Assembly, shall be posted on the Comptroller's  
19 website on the same day. The statements shall be prepared and  
20 presented in an executive summary format that includes, for the  
21 fiscal year to date, individual itemizations for each revenue  
22 source as well as individual itemizations of expenditures and  
23 obligations, by the classified line items set forth in Section  
24 13 of the State Finance Act and for other purposes, with an  
25 appropriate level of detail. The statement shall include a  
26 calculation of the actual total budget surplus or deficit. The

1 Governor shall also present periodic budget addresses  
2 throughout the fiscal year at the invitation of the General  
3 Assembly.

4 The Governor shall not propose expenditures and the General  
5 Assembly shall not enact appropriations that exceed the  
6 resources estimated to be available, as provided in this  
7 Section. Appropriations may be adjusted during the fiscal year  
8 by means of one or more supplemental appropriation bills if any  
9 State agency either fails to meet or exceeds the goals set  
10 forth in Section 50-25 of this Law.

11 For the purposes of Article VIII, Section 2 of the 1970  
12 Illinois Constitution, the State budget for the following funds  
13 shall be prepared on the basis of revenue and expenditure  
14 measurement concepts that are in concert with generally  
15 accepted accounting principles for governments:

- 16 (1) General Revenue Fund.
- 17 (2) Common School Fund.
- 18 (3) Educational Assistance Fund.
- 19 (4) Road Fund.
- 20 (5) Motor Fuel Tax Fund.
- 21 (6) Agricultural Premium Fund.

22 These funds shall be known as the "budgeted funds". The  
23 revenue estimates used in the State budget for the budgeted  
24 funds shall include the estimated beginning fund balance, plus  
25 revenues estimated to be received during the budgeted year,  
26 plus the estimated receipts due the State as of June 30 of the

1 budgeted year that are expected to be collected during the  
2 lapse period following the budgeted year, minus the receipts  
3 collected during the first 2 months of the budgeted year that  
4 became due to the State in the year before the budgeted year.  
5 Revenues shall also include estimated federal reimbursements  
6 associated with the recognition of Section 25 of the State  
7 Finance Act liabilities. For any budgeted fund for which  
8 current year revenues are anticipated to exceed expenditures,  
9 the surplus shall be considered to be a resource available for  
10 expenditure in the budgeted fiscal year.

11 Expenditure estimates for the budgeted funds included in  
12 the State budget shall include the costs to be incurred by the  
13 State for the budgeted year, to be paid in the next fiscal  
14 year, excluding costs paid in the budgeted year which were  
15 carried over from the prior year, where the payment is  
16 authorized by Section 25 of the State Finance Act. For any  
17 budgeted fund for which expenditures are expected to exceed  
18 revenues in the current fiscal year, the deficit shall be  
19 considered as a use of funds in the budgeted fiscal year.

20 Revenues and expenditures shall also include transfers  
21 between funds that are based on revenues received or costs  
22 incurred during the budget year.

23 Appropriations for expenditures shall also include all  
24 anticipated statutory continuing appropriation obligations  
25 that are expected to be incurred during the budgeted fiscal  
26 year.

1           By March 15 of each year, the Commission on Government  
2 Forecasting and Accountability shall prepare revenue and fund  
3 transfer estimates in accordance with the requirements of this  
4 Section and report those estimates to the General Assembly and  
5 the Governor.

6           For all funds other than the budgeted funds, the proposed  
7 expenditures shall not exceed funds estimated to be available  
8 for the fiscal year as shown in the budget. Appropriation for a  
9 fiscal year shall not exceed funds estimated by the General  
10 Assembly to be available during that year.

11           (b) This subsection applies only to the process for the  
12 proposed fiscal year 2011 budget.

13           By February 24, 2010, the Governor must file a written  
14 report with the Secretary of the Senate and the Clerk of the  
15 House of Representatives containing the following:

16           (1) for fiscal year 2010, the revenues for all budgeted  
17 funds, both actual to date and estimated for the full  
18 fiscal year;

19           (2) for fiscal year 2010, the expenditures for all  
20 budgeted funds, both actual to date and estimated for the  
21 full fiscal year;

22           (3) for fiscal year 2011, the estimated revenues for  
23 all budgeted funds, including without limitation the  
24 affordable General Revenue Fund appropriations, for the  
25 full fiscal year; and

26           (4) for fiscal year 2011, an estimate of the

1 anticipated liabilities for all budgeted funds, including  
2 without limitation the affordable General Revenue Fund  
3 appropriations, debt service on bonds issued, and the  
4 State's contributions to the pension systems, for the full  
5 fiscal year.

6 Between February 24, 2010 and March 10, 2010, the members  
7 of the General Assembly and members of the public may make  
8 written budget recommendations to the Governor, and the  
9 Governor shall promptly make those recommendations available  
10 to the public through the Governor's Internet website.

11 (Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881,  
12 eff. 2-11-10.)

13 (15 ILCS 20/50-7 new)

14 Sec. 50-7. Online budget survey. Beginning in February of  
15 2011, and during February of each year thereafter, the  
16 Governor's Office of Management and Budget shall post on its  
17 website a survey that will allow residents of the State to  
18 prioritize proposed spending measures for the next fiscal year.  
19 The Office shall post the results of each survey on its  
20 website.

21 (15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

22 Sec. 50-10. Budget contents. The budget shall be submitted  
23 by the Governor with line item and program data. The budget  
24 shall also contain performance data presenting an estimate for

1 the current fiscal year, projections for the budget year, and  
2 information for the 3 prior fiscal years comparing department  
3 objectives with actual accomplishments, formulated according  
4 to the various functions and activities, and, wherever the  
5 nature of the work admits, according to the work units, for  
6 which the respective departments, offices, and institutions of  
7 the State government (including the elective officers in the  
8 executive department and including the University of Illinois  
9 and the judicial department) are responsible.

10 For the fiscal year beginning July 1, 1992 and for each  
11 fiscal year thereafter, the budget shall include the  
12 performance measures of each department's accountability  
13 report.

14 For the fiscal year beginning July 1, 1997 and for each  
15 fiscal year thereafter, the budget shall include one or more  
16 line items appropriating moneys to the Department of Human  
17 Services to fund participation in the Home-Based Support  
18 Services Program for Mentally Disabled Adults under the  
19 Developmental Disability and Mental Disability Services Act by  
20 persons described in Section 2-17 of that Act.

21 The budget shall contain a capital development section in  
22 which the Governor will present (1) information on the capital  
23 projects and capital programs for which appropriations are  
24 requested, (2) the capital spending plans, which shall document  
25 the first and subsequent years cash requirements by fund for  
26 the proposed bonded program, and (3) a statement that shall



1 identify by year the principal and interest costs until  
2 retirement of the State's general obligation debt. In addition,  
3 the principal and interest costs of the budget year program  
4 shall be presented separately, to indicate the marginal cost of  
5 principal and interest payments necessary to retire the  
6 additional bonds needed to finance the budget year's capital  
7 program. In 2004 only, the capital development section of the  
8 State budget shall be submitted by the Governor not later than  
9 the fourth Tuesday of March (March 23, 2004).

10 For the budget year, the current year, and 3 prior fiscal  
11 years, the Governor shall also include in the budget estimates  
12 of or actual values for the assets and liabilities for General  
13 Assembly Retirement System, State Employees' Retirement System  
14 of Illinois, State Universities Retirement System, Teachers'  
15 Retirement System of the State of Illinois, and Judges  
16 Retirement System of Illinois.

17 The budget submitted by the Governor shall contain, in  
18 addition, in a separate book, a tabulation of all position and  
19 employment titles in each such department, office, and  
20 institution, the number of each, and the salaries for each,  
21 formulated according to divisions, bureaus, sections, offices,  
22 departments, boards, and similar subdivisions, which shall  
23 correspond as nearly as practicable to the functions and  
24 activities for which the department, office, or institution is  
25 responsible.

26 Together with the budget, the Governor shall transmit the

1 estimates of receipts and expenditures, as received by the  
2 Director of the Governor's Office of Management and Budget, of  
3 the elective officers in the executive and judicial departments  
4 and of the University of Illinois.

5 An applicable appropriations committee of each chamber of  
6 the General Assembly, for fiscal year 2012 and thereafter, must  
7 review individual line item appropriations and the total budget  
8 for each State agency, as defined in the Illinois State  
9 Auditing Act.

10 (Source: P.A. 93-662, eff. 2-11-04.)

11 (15 ILCS 20/50-25 new)

12 Sec. 50-25. Statewide prioritized goals. For fiscal year  
13 2012 and each fiscal year thereafter, prior to the submission  
14 of the State budget, the Governor, in consultation with the  
15 appropriation committees of the General Assembly, shall: (i)  
16 prioritize outcomes that are most important for each State  
17 agency of the executive branch under the jurisdiction of the  
18 Governor to achieve for the next fiscal year and (ii) set goals  
19 to accomplish those outcomes according to the priority of the  
20 outcome. In addition, each other constitutional officer of the  
21 executive branch, in consultation with the appropriation  
22 committees of the General Assembly, shall: (i) prioritize  
23 outcomes that are most important for his or her office to  
24 achieve for the next fiscal year and (ii) set goals to  
25 accomplish those outcomes according to the priority of the

1 outcome. The Governor and each constitutional officer shall  
2 separately conduct performance analyses to determine which  
3 programs, strategies, and activities will best achieve those  
4 desired outcomes. The Governor shall recommend that  
5 appropriations be made to State agencies and officers for the  
6 next fiscal year based on the agreed upon goals and priorities.  
7 Each agency and officer may develop its own strategies for  
8 meeting those goals and shall review and analyze those  
9 strategies on a regular basis. The Governor shall also  
10 implement procedures to measure annual progress toward the  
11 State's highest priority outcomes and shall develop a statewide  
12 reporting system that compares the actual results with budgeted  
13 results. Those performance measures and results shall be posted  
14 on the State Comptroller's website, and compiled for  
15 distribution in the Comptroller's Public Accountability  
16 Report, as is currently the practice on the effective date of  
17 this amendatory Act of the 96th General Assembly.

18 Section 10. The Governor's Office of Management and Budget  
19 Act is amended by changing Section 2.1 as follows:

20 (20 ILCS 3005/2.1) (from Ch. 127, par. 412.1)

21 Sec. 2.1.

22 To assist the Governor in submitting a recommended budget,  
23 including estimated receipts and revenue, to the General  
24 Assembly, and to consult with the Commission on Government

1 Forecasting and Accountability, at the Commission's request,  
2 in compiling a report on the estimated income of the State, as  
3 required under Section 4 of the Commission on Government  
4 Forecasting and Accountability Act.

5 (Source: P.A. 76-2411.)

6 Section 15. The Commission on Government Forecasting and  
7 Accountability Act is amended by changing Sections 3 and 4 as  
8 follows:

9 (25 ILCS 155/3) (from Ch. 63, par. 343)

10 Sec. 3. The Commission shall:

11 (1) Study from time to time and report to the General  
12 Assembly on economic development and trends in the State.

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

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

20 (4) Prepare annually a State economic report.

21 (5) Provide information for all appropriate legislative  
22 organizations and personnel on economic trends in relation to  
23 long range planning and budgeting.

24 (6) Study and make such recommendations as it deems

1 appropriate to the General Assembly on local and regional  
2 economic and fiscal policy and on federal fiscal policy as it  
3 may affect Illinois.

4 (7) Review capital expenditures, appropriations and  
5 authorizations for both the State's general obligation and  
6 revenue bonding authorities. At the direction of the  
7 Commission, specific reviews may include economic feasibility  
8 reviews of existing or proposed revenue bond projects to  
9 determine the accuracy of the original estimate of useful life  
10 of the projects, maintenance requirements and ability to meet  
11 debt service requirements through their operating expenses.

12 (8) Receive and review all executive agency and revenue  
13 bonding authority annual and 3 year plans. The Commission shall  
14 prepare a consolidated review of these plans, an updated  
15 assessment of current State agency capital plans, a report on  
16 the outstanding and unissued bond authorizations, an  
17 evaluation of the State's ability to market further bond issues  
18 and shall submit them as the "Legislative Capital Plan  
19 Analysis" to the House and Senate Appropriations Committees at  
20 least once a year. The Commission shall annually submit to the  
21 General Assembly on the first Wednesday of April a report on  
22 the State's long-term capital needs, with particular emphasis  
23 upon and detail of the 5-year period in the immediate future.

24 (9) Study and make recommendations it deems appropriate to  
25 the General Assembly on State bond financing, bondability  
26 guidelines, and debt management. At the direction of the

1 Commission, specific studies and reviews may take into  
2 consideration short and long-run implications of State bonding  
3 and debt management policy.

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

6 (11) Comply with the provisions of the Pension Impact Note  
7 Act, as now or hereafter amended.

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

22 (13) Comply with the provisions of the State Facilities  
23 Closure Act.

24 (14) For fiscal year 2012 and thereafter, develop a 3-year  
25 budget forecast for the State, including opportunities and  
26 threats concerning anticipated revenues and expenditures, with

1 an appropriate level of detail.

2       The requirement for reporting to the General Assembly shall  
3 be satisfied by filing copies of the report with the Speaker,  
4 the Minority Leader and the Clerk of the House of  
5 Representatives and the President, the Minority Leader and the  
6 Secretary of the Senate and the Legislative Research Unit, as  
7 required by Section 3.1 of the General Assembly Organization  
8 Act, and filing such additional copies with the State  
9 Government Report Distribution Center for the General Assembly  
10 as is required under paragraph (t) of Section 7 of the State  
11 Library Act.

12       (Source: P.A. 92-67, eff. 7-12-01; 93-632, eff. 2-1-04; 93-839,  
13 eff. 7-30-04.)

14       (25 ILCS 155/4) (from Ch. 63, par. 344)

15       Sec. 4. (a) The Commission shall publish, at the convening  
16 of each regular session of the General Assembly, a report on  
17 the estimated income of the State from all applicable revenue  
18 sources for the next ensuing fiscal year and of any other funds  
19 estimated to be available for such fiscal year. The Commission,  
20 in its discretion, may consult with the Governor's Office of  
21 Management and Budget in preparing the report. On the third  
22 Wednesday in March after the session convenes, the Commission  
23 shall issue a revised and updated set of revenue figures  
24 reflecting the latest available information. The House and  
25 Senate by joint resolution shall adopt or modify such estimates

1 as may be appropriate. The joint resolution shall constitute  
2 the General Assembly's estimate, under paragraph (b) of Section  
3 2 of Article VIII of the Constitution, of the funds estimated  
4 to be available during the next fiscal year.

5 (b) On the third Wednesday in March, the Commission shall  
6 issue estimated:

7 (1) pension funding requirements under P.A. 86-273;

8 and

9 (2) liabilities of the State employee group health  
10 insurance program.

11 These estimated costs shall be for the fiscal year  
12 beginning the following July 1.

13 (c) The requirement for reporting to the General Assembly  
14 shall be satisfied by filing copies of the report with the  
15 Speaker, the Minority Leader and the Clerk of the House of  
16 Representatives and the President, the Minority Leader and the  
17 Secretary of the Senate and the Legislative Research unit, as  
18 required by Section 3.1 of the General Assembly Organization  
19 Act, and filing such additional copies with the State  
20 Government Report Distribution Center for the General Assembly  
21 as is required under paragraph (t) of Section 7 of the State  
22 Library Act.

23 (Source: P.A. 93-632, eff. 2-1-04.)

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.