



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1424

Introduced 2/11/2009, by Sen. Michael W. Frerichs

#### SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-5	was 15 ILCS 20/38
15 ILCS 20/50-5.5 new	
25 ILCS 155/4	from Ch. 63, par. 344

Amends the State Budget Law of the Civil Administrative Code of Illinois and the Commission on Government Forecasting and Accountability Act. Creates a Revenue Estimating Council consisting of the Governor, the State Comptroller, and the co-chairs of the Commission on Government Forecasting and Accountability. Beginning in 2010, requires the Council to estimate the State's revenues and fund availability and to report and update the estimates to the Governor and General Assembly. Effective immediately.

LRB096 08494 JAM 18614 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 Section 50-5 and by  
6 adding Section 50-5.5 as follows:

7 (15 ILCS 20/50-5) (was 15 ILCS 20/38)

8 Sec. 50-5. Governor to submit State budget. The Governor  
9 shall, as soon as possible and not later than the first  
10 Wednesday in March in 2007 (March 7, 2007) and the third  
11 Wednesday in February of each year beginning in 2008, except as  
12 otherwise provided in this Section, submit a State budget,  
13 embracing therein the amounts recommended by the Governor to be  
14 appropriated to the respective departments, offices, and  
15 institutions, and for all other public purposes, the estimated  
16 revenues from taxation, the estimated revenues from sources  
17 other than taxation, and an estimate of the amount required to  
18 be raised by taxation. In 2004 only, the Governor shall submit  
19 the capital development section of the State budget not later  
20 than the fourth Tuesday of March (March 23, 2004). The amounts  
21 recommended by the Governor for appropriation to the respective  
22 departments, offices and institutions shall be formulated  
23 according to the various functions and activities for which the

1     respective department, office or institution of the State  
2     government (including the elective officers in the executive  
3     department and including the University of Illinois and the  
4     judicial department) is responsible. The amounts relating to  
5     particular functions and activities shall be further  
6     formulated in accordance with the object classification  
7     specified in Section 13 of the State Finance Act.

8             The Governor shall not propose expenditures and the General  
9     Assembly shall not enact appropriations that exceed the  
10    resources estimated to be available, as provided in this  
11    Section.

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

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

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

1 plus the estimated receipts due the State as of June 30 of the  
2 budgeted year that are expected to be collected during the  
3 lapse period following the budgeted year, minus the receipts  
4 collected during the first 2 months of the budgeted year that  
5 became due to the State in the year before the budgeted year.  
6 Revenues shall also include estimated federal reimbursements  
7 associated with the recognition of Section 25 of the State  
8 Finance Act liabilities. For any budgeted fund for which  
9 current year revenues are anticipated to exceed expenditures,  
10 the surplus shall be considered to be a resource available for  
11 expenditure in the budgeted fiscal year.

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

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

24 By March 15 of each year and until the Revenue Estimating  
25 Council is established, the Commission on Government  
26 Forecasting and Accountability shall prepare revenue and fund

1 transfer estimates in accordance with the requirements of this  
2 Section and report those estimates to the General Assembly and  
3 the Governor.

4 For all funds other than the budgeted funds, the proposed  
5 expenditures shall not exceed funds estimated to be available  
6 for the fiscal year as shown in the budget. Appropriation for a  
7 fiscal year shall not exceed (i) funds estimated by the General  
8 Assembly to be available during that year as contained within  
9 the joint resolution adopted by the General Assembly in  
10 accordance with Section 50-5.5 of this Act or (ii) funds  
11 estimated to be available in accordance with this Section prior  
12 to the effective date of this amendatory Act of the 96th  
13 General Assembly.

14 (Source: P.A. 93-1, eff. 2-6-03; 93-662, eff. 2-11-04; 93-1067,  
15 eff. 1-15-05; 94-1108, eff. 2-16-07.)

16 (15 ILCS 20/50-5.5 new)

17 Sec. 50-5.5. Revenue Estimating Council.

18 (a) There is created a Revenue Estimating Council,  
19 consisting of the Governor, the State Comptroller, and the  
20 co-chairs of the Commission on Government Forecasting and  
21 Accountability (who together shall have one vote on the  
22 Council), or their designees.

23 (b) By February 1, 2010 and by February 1 of each year  
24 thereafter, the Revenue Estimating Council must prepare  
25 revenue and fund transfer estimates in accordance with the

1 requirements of Section 50-5 and report those estimates to the  
2 General Assembly. In addition to the revenue and transfer  
3 estimates, the Revenue Estimating Council must certify an  
4 estimate of all income of the State from all applicable revenue  
5 sources for the next ensuing fiscal year and of any other funds  
6 estimated to be available for that fiscal year.

7 Notwithstanding any other provision of this subsection,  
8 for the purpose of determining the estimates under this Section  
9 for fiscal year 2011, the Revenue Estimating Council must use  
10 the prior year's estimated general funds revenues as determined  
11 by the Commission on Government Forecasting and  
12 Accountability.

13 By May 1, 2010 and by May 1 of each year thereafter, the  
14 Revenue Estimating Council must issue a report updating the  
15 estimates required under this subsection as may be required  
16 based on more recent information. Upon its issuance, the  
17 Revenue Estimating Council must submit the revised report to  
18 the Governor and the General Assembly. The House of  
19 Representatives and Senate must adopt the report by joint  
20 resolution. The joint resolution constitutes the General  
21 Assembly's estimate, under subsection (b) of Section 2 of  
22 Article VIII of the Illinois Constitution, of the funds  
23 available during the next fiscal year.

24 (c) Prior to the beginning of the fiscal year, the Revenue  
25 Estimating Council must prepare a cash flow estimate of the  
26 general funds, identifying estimated revenues and cash

1 expenditures for each quarter of the fiscal year. Each quarter  
2 of the fiscal year, the Revenue Estimating Council must review  
3 the revenue and cash expenditure estimates and issue a report  
4 to the Governor and the General Assembly containing updates of  
5 the estimates required under this subsection and notification  
6 of potential budgetary shortfalls.

7 Section 10. The Commission on Government Forecasting and  
8 Accountability Act is amended by changing Section 4 as follows:

9 (25 ILCS 155/4) (from Ch. 63, par. 344)

10 Sec. 4. (a) The Commission shall publish, at the convening  
11 of each regular session of the General Assembly, a report on  
12 the estimated income of the State from all applicable revenue  
13 sources for the next ensuing fiscal year and of any other funds  
14 estimated to be available for such fiscal year. On the third  
15 Wednesday in March after the session convenes, the Commission  
16 shall issue a revised and updated set of revenue figures  
17 reflecting the latest available information. In 2010, the ~~The~~  
18 House and Senate by joint resolution shall adopt or modify such  
19 estimates as may be appropriate. The joint resolution shall  
20 constitute the General Assembly's estimate, under paragraph  
21 (b) of Section 2 of Article VIII of the Constitution, of the  
22 funds estimated to be available during the next fiscal year.

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

- 1           (1) pension funding requirements under P.A. 86-273;  
2           and  
3           (2) liabilities of the State employee group health  
4           insurance program.

5           These estimated costs shall be for the fiscal year  
6           beginning the following July 1.

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

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

18          Section 99. Effective date. This Act takes effect upon  
19          becoming law.