



## 97TH GENERAL ASSEMBLY

### State of Illinois

#### 2011 and 2012

##### HB3495

Introduced 2/24/2011, by Rep. Sidney H. Mathias - Sandra M. Pihos - Jason Barickman - John D. Cavaletto - David Harris, et al.

#### SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-5

Amends the State Budget Law of the Civil Administrative Code of Illinois. With respect to fiscal year appropriations, requires the General Assembly to take into account (i) whether the previous fiscal year's revenues were sufficient to pay for all obligations incurred during that fiscal year or whether those obligations were shifted to future years and (ii) whether revenues for the budgeted fiscal year can be reasonably projected to meet appropriations for the budgeted fiscal year. For each budgeted fiscal year, requires the General Assembly, by the same joint resolution adopted by record vote, to declare that the budget is balanced. Makes revisory changes.

LRB097 10778 RLJ 51207 b

FISCAL NOTE ACT  
MAY APPLY

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 as  
6 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, and the estimated  
17 revenues from sources other than taxation. Except with respect  
18 to the capital development provisions of the State budget,  
19 beginning with the revenue estimates prepared for fiscal year  
20 2012, revenue estimates shall be based solely on: (i) revenue  
21 sources (including non-income resources), rates, and levels  
22 that exist as of the date of the submission of the State budget  
23 for the fiscal year and (ii) revenue sources (including

1 non-income resources), rates, and levels that have been passed  
2 by the General Assembly as of the date of the submission of the  
3 State budget for the fiscal year and that are authorized to  
4 take effect in that fiscal year. Except with respect to the  
5 capital development provisions of the State budget, the  
6 Governor shall determine available revenue, deduct the cost of  
7 essential government services, including, but not limited to,  
8 pension payments and debt service, and assign a percentage of  
9 the remaining revenue to each statewide prioritized goal, as  
10 established in Section 50-25 of this Law, taking into  
11 consideration the proposed goals set forth in the report of the  
12 Commission established under that Section. The Governor shall  
13 also demonstrate how spending priorities for the fiscal year  
14 fulfill those statewide goals. The amounts recommended by the  
15 Governor for appropriation to the respective departments,  
16 offices and institutions shall be formulated according to each  
17 department's, office's, and institution's ability to  
18 effectively deliver services that meet the established  
19 statewide goals. The amounts relating to particular functions  
20 and activities shall be further formulated in accordance with  
21 the object classification specified in Section 13 of the State  
22 Finance Act. In addition, the amounts recommended by the  
23 Governor for appropriation shall take into account each State  
24 agency's effectiveness in achieving its prioritized goals for  
25 the previous fiscal year, as set forth in Section 50-25 of this  
26 Law, giving priority to agencies and programs that have

1 demonstrated a focus on the prevention of waste and the maximum  
2 yield from resources.

3 Beginning in fiscal year 2011, the Governor shall  
4 distribute written quarterly financial reports on operating  
5 funds, which may include general, State, or federal funds and  
6 may include funds related to agencies that have significant  
7 impacts on State operations, and budget statements on all  
8 appropriated funds to the General Assembly and the State  
9 Comptroller. The reports shall be submitted no later than 45  
10 days after the last day of each quarter of the fiscal year and  
11 shall be posted on the Governor's Office of Management and  
12 Budget's website on the same day. The reports shall be prepared  
13 and presented for each State agency and on a statewide level in  
14 an executive summary format that may include, for the fiscal  
15 year to date, individual itemizations for each significant  
16 revenue type as well as itemizations of expenditures and  
17 obligations, by agency, with an appropriate level of detail.  
18 The reports shall include a calculation of the actual total  
19 budget surplus or deficit for the fiscal year to date. The  
20 Governor shall also present periodic budget addresses  
21 throughout the fiscal year at the invitation of the General  
22 Assembly.

23 The Governor shall not propose expenditures and the General  
24 Assembly shall not enact appropriations that exceed the  
25 resources estimated to be available, as provided in this  
26 Section. Appropriations may be adjusted during the fiscal year

1 by means of one or more supplemental appropriation bills if any  
2 State agency either fails to meet or exceeds the goals set  
3 forth in Section 50-25 of this Law.

4 For the purposes of Article VIII, Section 2 of the 1970  
5 Illinois Constitution, the State budget for the following funds  
6 shall be prepared on the basis of revenue and expenditure  
7 measurement concepts that are in concert with generally  
8 accepted accounting principles for governments:

9 (1) General Revenue Fund.

10 (2) Common School Fund.

11 (3) Educational Assistance Fund.

12 (4) Road Fund.

13 (5) Motor Fuel Tax Fund.

14 (6) Agricultural Premium Fund.

15 These funds shall be known as the "budgeted funds". The  
16 revenue estimates used in the State budget for the budgeted  
17 funds shall include the estimated beginning fund balance, plus  
18 revenues estimated to be received during the budgeted year,  
19 plus the estimated receipts due the State as of June 30 of the  
20 budgeted year that are expected to be collected during the  
21 lapse period following the budgeted year, minus the receipts  
22 collected during the first 2 months of the budgeted year that  
23 became due to the State in the year before the budgeted year.  
24 Revenues shall also include estimated federal reimbursements  
25 associated with the recognition of Section 25 of the State  
26 Finance Act liabilities. For any budgeted fund for which

1 current year revenues are anticipated to exceed expenditures,  
2 the surplus shall be considered to be a resource available for  
3 expenditure in the budgeted fiscal year.

4 Expenditure estimates for the budgeted funds included in  
5 the State budget shall include the costs to be incurred by the  
6 State for the budgeted year, to be paid in the next fiscal  
7 year, excluding costs paid in the budgeted year which were  
8 carried over from the prior year, where the payment is  
9 authorized by Section 25 of the State Finance Act. For any  
10 budgeted fund for which expenditures are expected to exceed  
11 revenues in the current fiscal year, the deficit shall be  
12 considered as a use of funds in the budgeted fiscal year.

13 Revenues and expenditures shall also include transfers  
14 between funds that are based on revenues received or costs  
15 incurred during the budget year.

16 Appropriations for expenditures shall also include all  
17 anticipated statutory continuing appropriation obligations  
18 that are expected to be incurred during the budgeted fiscal  
19 year.

20 By March 15 of each year, the Commission on Government  
21 Forecasting and Accountability shall prepare revenue and fund  
22 transfer estimates in accordance with the requirements of this  
23 Section and report those estimates to the General Assembly and  
24 the Governor.

25 For all funds other than the budgeted funds, the proposed  
26 expenditures shall not exceed funds estimated to be available

1 for the fiscal year as shown in the budget. Appropriation for a  
2 fiscal year shall not exceed funds estimated by the General  
3 Assembly to be available during that year. The General Assembly  
4 shall take into account (i) whether the previous fiscal year's  
5 revenues were sufficient to pay for all obligations incurred  
6 during that fiscal year or whether those obligations were  
7 shifted to future years and (ii) whether revenues for the  
8 budgeted fiscal year can be reasonably projected to meet  
9 appropriations for the budgeted fiscal year. For each budgeted  
10 fiscal year, the General Assembly, by the same joint resolution  
11 adopted by record vote, shall declare that the budget is  
12 balanced.

13 (b) 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 July 1 and August 31 of each fiscal year, the  
7           members of the General Assembly and members of the public may  
8           make written budget recommendations to the Governor.

9           Beginning with budgets prepared for fiscal year 2013, the  
10          budgets submitted by the Governor and appropriations made by  
11          the General Assembly for all executive branch State agencies  
12          must adhere to a method of budgeting where each priority must  
13          be justified each year according to merit rather than according  
14          to the amount appropriated for the preceding year.

15          (Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881,  
16          eff. 2-11-10; 96-958, eff. 7-1-10; 96-1000, eff. 7-2-10;  
17          96-1529, eff. 2-16-11; 96-1531, eff. 2-16-11; revised  
18          2-17-11.)