

# SB0003



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB0003

Introduced 1/15/2015, by Sen. Dan Kotowski

#### SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-5  
15 ILCS 20/50-25  
15 ILCS 20/50-27

Amends the State Budget Law of the Civil Administrative Code of Illinois. Requires the Governor's Office of Management and Budget to post on its official website the Governor's submitted budget within one week of its submission. Provides that all outcomes for Statewide prioritized budget goals shall be further defined into sub-outcomes. Provides that the report submitted by the commission established by the Governor outlining how to achieve those goals and outcomes shall include all sub-outcomes and must be posted on the Governor's Office of Management and Budget's official website by the January 1 following the report's November 1 submission date. Provides that the working group created to make the State budgeting process the most transparent shall report its findings to the Governor, the General Assembly, and the commission by January 1, 2016 (currently, January 1, 2015). Extends the date of repeal of the working group from January 1, 2016 to January 1, 2017.

LRB099 04357 JLK 24384 b

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, 50-25  
6 and 50-27 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),  
11 the third Wednesday in February in 2011, the fourth Wednesday  
12 in February in 2012 (February 22, 2012), the first Wednesday in  
13 March in 2013 (March 6, 2013), the fourth Wednesday in March in  
14 2014 (March 26, 2014), and the third Wednesday in February of  
15 each year thereafter, except as otherwise provided in this  
16 Section, submit a State budget, embracing therein the amounts  
17 recommended by the Governor to be appropriated to the  
18 respective departments, offices, and institutions, and for all  
19 other public purposes, the estimated revenues from taxation,  
20 and the estimated revenues from sources other than taxation.  
21 Within one week of the Governor's submission of the State  
22 budget, the Governor's Office of Management and Budget shall  
23 post the budget on its official website. Except with respect to

1 the capital development provisions of the State budget,  
2 beginning with the revenue estimates prepared for fiscal year  
3 2012, revenue estimates shall be based solely on: (i) revenue  
4 sources (including non-income resources), rates, and levels  
5 that exist as of the date of the submission of the State budget  
6 for the fiscal year and (ii) revenue sources (including  
7 non-income resources), rates, and levels that have been passed  
8 by the General Assembly as of the date of the submission of the  
9 State budget for the fiscal year and that are authorized to  
10 take effect in that fiscal year. Except with respect to the  
11 capital development provisions of the State budget, the  
12 Governor shall determine available revenue, deduct the cost of  
13 essential government services, including, but not limited to,  
14 pension payments and debt service, and assign a percentage of  
15 the remaining revenue to each statewide prioritized goal, as  
16 established in Section 50-25 of this Law, taking into  
17 consideration the proposed goals set forth in the report of the  
18 Commission established under that Section. The Governor shall  
19 also demonstrate how spending priorities for the fiscal year  
20 fulfill those statewide goals. The amounts recommended by the  
21 Governor for appropriation to the respective departments,  
22 offices and institutions shall be formulated according to each  
23 department's, office's, and institution's ability to  
24 effectively deliver services that meet the established  
25 statewide goals. The amounts relating to particular functions  
26 and activities shall be further formulated in accordance with

1 the object classification specified in Section 13 of the State  
2 Finance Act. In addition, the amounts recommended by the  
3 Governor for appropriation shall take into account each State  
4 agency's effectiveness in achieving its prioritized goals for  
5 the previous fiscal year, as set forth in Section 50-25 of this  
6 Law, giving priority to agencies and programs that have  
7 demonstrated a focus on the prevention of waste and the maximum  
8 yield from resources.

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

1 throughout the fiscal year at the invitation of the General  
2 Assembly.

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

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

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

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

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

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

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

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

26 By March 15 of each year, the Commission on Government

1 Forecasting and Accountability shall prepare revenue and fund  
2 transfer estimates in accordance with the requirements of this  
3 Section and report those estimates to the General Assembly and  
4 the Governor.

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

10 (b) By February 24, 2010, the Governor must file a written  
11 report with the Secretary of the Senate and the Clerk of the  
12 House of Representatives containing the following:

13 (1) for fiscal year 2010, the revenues for all budgeted  
14 funds, both actual to date and estimated for the full  
15 fiscal year;

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

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

23 (4) for fiscal year 2011, an estimate of the  
24 anticipated liabilities for all budgeted funds, including  
25 without limitation the affordable General Revenue Fund  
26 appropriations, debt service on bonds issued, and the

1 State's contributions to the pension systems, for the full  
2 fiscal year.

3 Between July 1 and August 31 of each fiscal year, the  
4 members of the General Assembly and members of the public may  
5 make written budget recommendations to the Governor.

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

12 (Source: P.A. 97-669, eff. 1-13-12; 97-813, eff. 7-13-12; 98-2,  
13 eff. 2-19-13; 98-626, eff. 2-5-14.)

14 (15 ILCS 20/50-25)

15 Sec. 50-25. Statewide prioritized goals. For fiscal year  
16 2012 and each fiscal year thereafter, prior to the submission  
17 of the State budget, the Governor, in consultation with the  
18 appropriation committees of the General Assembly and,  
19 beginning with budgets prepared for fiscal year 2013, the  
20 commission established under this Section, shall: (i)  
21 prioritize outcomes that are most important for each State  
22 agency of the executive branch under the jurisdiction of the  
23 Governor to achieve for the next fiscal year and (ii) set goals  
24 to accomplish those outcomes according to the priority of the  
25 outcome. There must be a reasonable number of annually defined



1 statewide goals defining State priorities for the budget. Each  
2 goal shall be further defined to facilitate success in  
3 achieving that goal. Each outcome shall be further defined into  
4 sub-outcomes to facilitate success in achieving that outcome.

5 No later than July 31 of each fiscal year beginning in fiscal  
6 year 2012, the Governor shall establish a commission for the  
7 purpose of advising the Governor in setting those outcomes and  
8 goals, including the timeline for achieving those outcomes and  
9 goals. The commission shall be a well-balanced group and shall  
10 be a manageable size. The commission shall hold at least 2  
11 public meetings during each fiscal year. One meeting shall be  
12 held in the City of Chicago and one meeting shall be held in  
13 the City of Springfield. By November 1 of each year, the  
14 commission shall submit a report to the Governor and the  
15 General Assembly setting forth recommendations with respect to  
16 the Governor's proposed sub-outcomes, outcomes, and goals. The  
17 report shall be published on the Governor's Office of  
18 Management and Budget's website by the January 1 following the  
19 commission's submission of its report. In its report, the  
20 commission shall propose a percentage of the total budget to be  
21 assigned to each proposed outcome and goal. The commission  
22 shall also review existing mandated expenditures and include in  
23 its report recommendations for the termination of mandated  
24 expenditures. The General Assembly may object to the  
25 commission's report by passing a joint resolution detailing the  
26 General Assembly's objections.

1           In addition, each other constitutional officer of the  
2 executive branch, in consultation with the appropriation  
3 committees of the General Assembly, shall: (i) prioritize  
4 outcomes that are most important for his or her office to  
5 achieve for the next fiscal year and (ii) set goals to  
6 accomplish those outcomes according to the priority of the  
7 outcome. The Governor and each constitutional officer shall  
8 separately conduct performance analyses to determine which  
9 programs, strategies, and activities will best achieve those  
10 desired outcomes. The Governor shall recommend that  
11 appropriations be made to State agencies and officers for the  
12 next fiscal year based on the agreed upon goals and priorities.  
13 Each agency and officer may develop its own strategies for  
14 meeting those goals and shall review and analyze those  
15 strategies on a regular basis. The Governor shall also  
16 implement procedures to measure annual progress toward the  
17 State's highest priority outcomes and shall develop a statewide  
18 reporting system that compares the actual results with budgeted  
19 results. Those performance measures and results shall be posted  
20 on the State Comptroller's website, and compiled for  
21 distribution in the Comptroller's Public Accountability  
22 Report, as is currently the practice on the effective date of  
23 this amendatory Act of the 96th General Assembly.

24       (Source: P.A. 96-958, eff. 7-1-10; 96-1529, eff. 2-16-11.)

1 (Section scheduled to be repealed on January 1, 2016)

2 Sec. 50-27. Budgeting process; working group. On July 1,  
3 2013, or as soon thereafter as possible, the commission  
4 described in Section 50-25 shall create a working group  
5 consisting of members of the commission for the purpose of  
6 developing a plan to make the State budgeting process the most  
7 transparent, publicly-accessible budgeting process in the  
8 nation. The working group shall study proposals related to  
9 transparency and accessibility in the budgeting process and  
10 shall report its findings to the Governor, the General  
11 Assembly, and the commission no later than January 1, 2016  
12 ~~2015~~. The working group may consult with the Director of  
13 Revenue, the State Comptroller, and the State Treasurer, and  
14 the Director of Revenue, the State Comptroller, and the State  
15 Treasurer shall cooperate with the working group. This Section  
16 is repealed on January 1, 2017 ~~2016~~.

17 (Source: P.A. 98-580, eff. 1-1-14.)