HB5815

LRB09718674JDS63908b

97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5815

Introduced 2/16/2012, by Rep. Paul Evans

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.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning State government.

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

Section 5. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Section 50-5 as follows:

(15 ILCS 20/50-5)

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

(a) The Governor shall, as soon as possible and not later than the second Wednesday in March in 2010 (March 10, 2010), the third Wednesday in February in 2011, the fourth Wednesday in February in 2012 (February 22, 2012), and the third Wednesday in February of each year thereafter, except as otherwise provided in this Section, submit a State budget, embracing therein the amounts recommended by the Governor to be appropriated to the respective departments, offices, and institutions, and for all other public purposes, the estimated revenues from taxation, and the estimated revenues from sources other than taxation. Except with respect to the capital development provisions of the State budget, beginning with the revenue estimates prepared for fiscal year 2012, revenue estimates shall be based solely on: (i) revenue sources (including non-income resources), rates, and levels that exist as of the date of the submission of the State budget for the fiscal year and (ii) revenue sources (including non-income resources), rates, and levels that have been passed by the General Assembly as of the date of the submission of the State budget for the fiscal year and that are authorized to take effect in that fiscal year. Except with respect to the capital development provisions of the State budget, the Governor shall determine available revenue, deduct the cost of essential government services, including, but not limited to, pension payments and debt service, and assign a percentage of the remaining revenue to each statewide prioritized goal, as established in Section 50-25 of this Law, taking into consideration the proposed goals set forth in the report of the Commission established under that Section. The Governor shall also demonstrate how spending priorities for the fiscal year fulfill those statewide goals. The amounts recommended by the Governor for appropriation to the respective departments, offices and institutions shall be formulated according to each department's, office's, and institution's ability to effectively deliver services that meet the established statewide goals. The amounts relating to particular functions and activities shall be further formulated in accordance with the object classification specified in Section 13 of the State Finance Act. In addition, the amounts recommended by the Governor for appropriation shall take into account each State agency's effectiveness in achieving its prioritized goals for the previous fiscal year, as set forth in Section 50-25 of this Law, giving priority to agencies and programs that have demonstrated a focus on the prevention of waste and the maximum yield from resources.

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

The Governor shall not propose expenditures and the General Assembly shall not enact appropriations that exceed the resources estimated to be available, as provided in this Section. 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 the goals set forth in Section 50-25 of this Law.

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

(1) General Revenue Fund.

(2) Common School Fund.

(3) Educational Assistance Fund.

(4) Road Fund.

(5) Motor Fuel Tax Fund.

(6) Agricultural Premium Fund.

These funds shall be known as the "budgeted funds". The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

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

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

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

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

For all funds other than the budgeted funds, the proposed expenditures shall not exceed funds estimated to be available for the fiscal year as shown in the budget. Appropriation for a fiscal year shall not exceed funds estimated by the General Assembly to be available during that year. <u>The General Assembly shall 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, the General Assembly, by the same joint resolution adopted by record vote, shall declare that the budget is balanced.</u>

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

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

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

(3) for fiscal year 2011, the estimated revenues for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, for the

full fiscal year; and

(4) for fiscal year 2011, an estimate of the anticipated liabilities for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, debt service on bonds issued, and the State's contributions to the pension systems, for the full fiscal year.

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

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

(Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881, eff. 2-11-10; 96-958, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1529, eff. 2-16-11; 96-1531, eff. 2-16-11; 97-669, eff. 1-13-12.)