

HB4039



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4039

Introduced 1/8/2020, by Rep. Jaime M. Andrade, Jr.

SYNOPSIS AS INTRODUCED:

15 ILCS 20/50-5

Amends the State Budget Law of the Civil Administrative Code of Illinois. Provides specified requirements for State budgets prepared for and after State fiscal year 2021. Makes conforming changes. Effective immediately.

LRB101 16187 RJF 65559 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 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),
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 Except with respect to the capital development provisions of
22 the State budget, beginning with the revenue estimates prepared
23 for fiscal year 2012 through fiscal year 2020, revenue

1 estimates shall be based solely on: (i) revenue sources
2 (including non-income resources), rates, and levels that exist
3 as of the date of the submission of the State budget for the
4 fiscal year and (ii) revenue sources (including non-income
5 resources), rates, and levels that have been passed by the
6 General Assembly as of the date of the submission of the State
7 budget for the fiscal year and that are authorized to take
8 effect in that fiscal year. Beginning with budgets prepared for
9 fiscal year 2021, revenue estimates shall be determined as
10 provided under paragraph (1) of subsection (a-5). Except with
11 respect to the capital development provisions of the State
12 budget, the Governor shall determine available revenue, deduct
13 the cost of essential government services, including, but not
14 limited to, pension payments and debt service, and assign a
15 percentage of the remaining revenue to each statewide
16 prioritized goal, as established in Section 50-25 of this Law,
17 taking into consideration the proposed goals set forth in the
18 report of the Commission established under that Section. The
19 Governor shall also demonstrate how spending priorities for the
20 fiscal year fulfill those statewide goals. The amounts
21 recommended by the Governor for appropriation to the respective
22 departments, offices and institutions shall be formulated
23 according to each department's, office's, and institution's
24 ability to effectively deliver services that meet the
25 established statewide goals. The amounts relating to
26 particular functions and activities shall be further

1 formulated in accordance with the object classification
2 specified in Section 13 of the State Finance Act. In addition,
3 the amounts recommended by the Governor for appropriation shall
4 take into account each State agency's effectiveness in
5 achieving its prioritized goals for the previous fiscal year,
6 as set forth in Section 50-25 of this Law, giving priority to
7 agencies and programs that have demonstrated a focus on the
8 prevention of waste and the maximum 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 (a-5) Beginning with budgets prepared for fiscal year 2021:

11 (1) Revenue estimates shall be based solely on receipts
12 from taxes, fees, and federal transfers and shall not
13 include debt incurred, existing debt refinanced, or
14 additional funds appropriated, assigned, or transferred
15 from another State fund.

16 (2) The General Assembly by law shall make
17 appropriations for all expenditures of public funds by the
18 State. Appropriations for a fiscal year shall not exceed
19 revenue estimated by the General Assembly to be available
20 during fiscal that year. Except for deficiency or emergency
21 appropriations, all appropriations are expendable only
22 during the fiscal year for which they were appropriated,
23 except that the General Assembly may provide for
24 appropriations from the Budget Stabilization Fund in
25 excess of revenue estimated by the General Assembly to be
26 available during that fiscal year by adoption of a

1 resolution approved by a record vote of three-fifths of the
2 members of each house. The excess appropriations may not
3 exceed the total amount available in the Budget
4 Stabilization Fund.

5 (3) No public money shall be expended except pursuant
6 to appropriations made by law. Expenditures for any fiscal
7 year shall not exceed the State's revenues and reserves in
8 the general funds, including proceeds of any debt
9 obligation, for that fiscal year. No debt obligation,
10 except as shall be repaid within the fiscal year of
11 issuance, shall be authorized for the current operation of
12 any State service or program, nor shall the proceeds of any
13 debt obligation be expended for a purpose other than that
14 for which it was authorized.

15 (4) Any law requiring the expenditure of State funds
16 shall be null and void unless, during the session in which
17 the act receives final passage, an appropriation is made
18 for the estimated first year's funding.

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

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

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

1 full fiscal year;

2 (3) for fiscal year 2011, the estimated revenues for
3 all budgeted funds, including without limitation the
4 affordable General Revenue Fund appropriations, for the
5 full fiscal year; and

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

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

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

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

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