

1 AN ACT concerning the State budget.

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
5 Administrative Code of Illinois is amended by changing
6 Section 50-5 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 third
10 Wednesday in February of each year beginning in 1998, submit
11 a State budget, embracing therein the amounts recommended by
12 the Governor to be appropriated to the respective
13 departments, offices, and institutions, and for all other
14 public purposes, the estimated revenues from taxation, the
15 estimated revenues from sources other than taxation, and an
16 estimate of the amount required to be raised by taxation.
17 The amounts recommended by the Governor for appropriation to
18 the respective departments, offices and institutions shall be
19 formulated according to the various functions and activities
20 for which the respective department, office or institution of
21 the State government (including the elective officers in the
22 executive department and including the University of Illinois
23 and the judicial department) is responsible. The amounts
24 relating to particular functions and activities shall be
25 further formulated in accordance with the object
26 classification specified in Section 13 of the State Finance
27 Act. State budgets submitted for fiscal years 2007 and
28 thereafter must be prepared using the performance measures
29 developed under Section 6.5 of the Bureau of the Budget Act.

30 The Governor shall not propose expenditures and the
31 General Assembly shall not enact appropriations that exceed

1 the resources estimated to be available, as provided in this
2 Section.

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

- 8 (1) General Revenue Fund.
- 9 (2) Common School Fund.
- 10 (3) Educational Assistance Fund.
- 11 (4) Road Fund.
- 12 (5) Motor Fuel Tax Fund.
- 13 (6) Agricultural Premium Fund.

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

30 Expenditure estimates for the budgeted funds included in
31 the State budget shall include the costs to be incurred by
32 the State for the budgeted year, to be paid in the next
33 fiscal year, excluding costs paid in the budgeted year which
34 were carried over from the prior year, where the payment is

1 authorized by Section 25 of the State Finance Act. For any
2 budgeted fund for which expenditures are expected to exceed
3 revenues in the current fiscal year, the deficit shall be
4 considered as a use of funds in the budgeted fiscal year.

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

8 By March 15 of each year, the Economic and Fiscal
9 Commission shall prepare revenue and fund transfer estimates
10 in accordance with the requirements of this Section and
11 report those estimates to the General Assembly and the
12 Governor.

13 For all funds other than the budgeted funds, the proposed
14 expenditures shall not exceed funds estimated to be available
15 for the fiscal year as shown in the budget. Appropriation
16 for a fiscal year shall not exceed funds estimated by the
17 General Assembly to be available during that year.

18 (Source: P.A. 90-479, eff. 8-17-97; 91-239, eff. 1-1-00.)

19 Section 10. The Bureau of the Budget Act is amended by
20 adding Section 6.5 as follows:

21 (20 ILCS 3005/6.5 new)

22 Sec. 6.5. Development of program objectives and
23 performance measures for State programs and agencies.

24 (a) The General Assembly finds that the public
25 accountability of State agency programs will be enhanced by:

26 (1) making State government more result-oriented;

27 (2) increasing public awareness of the efficacy of
28 State government programs;

29 (3) facilitating informed decision-making on the
30 allocation of State resources; and

31 (4) increasing public access to information on
32 State government programs.

1 (b) The Bureau, in cooperation with the Comptroller and
 2 State agencies, shall develop program objectives and
 3 performance measures for State programs. In developing the
 4 program objectives and performance measures, the Bureau must
 5 incorporate the data developed under subsection (c). The
 6 program objectives shall be developed by October 1, 2004. The
 7 Governor may appoint an advisory commission to participate in
 8 developing program goals and objectives. Members of the
 9 commission shall serve without compensation, but may be
 10 reimbursed for their reasonable expenses incurred in carrying
 11 out their duties.

12 Performance measures to measure progress in achieving
 13 program goals and objectives shall be developed by October 1,
 14 2005. The performance measures must be used in preparing and
 15 presenting State budgets for fiscal years 2007 and
 16 thereafter. The performance measures shall be integrated
 17 with the budget so that expenditures and other program inputs
 18 can be associated with program goals and performance
 19 measures.

20 (c) The Bureau shall continue the performance management
 21 practices being conducted by the Office of the Governor on
 22 and before February 28, 2002. These practices include, but
 23 are not limited to:

- 24 (1) the development of mission statements, goals,
 25 and objectives for State agencies and programs;
- 26 (2) the evaluation of the results and
 27 accomplishments of State agencies and programs; and
- 28 (3) the development of outcome indicators,
 29 cost-effectiveness indicators, and external benchmarks
 30 for State agencies and programs.

31 The Bureau shall provide the information developed from
 32 these performance management practices to the Comptroller and
 33 cooperate with the Comptroller in the reporting and
 34 publishing the data developed through these performance

1 management practices. The application of these performance
 2 management practices shall be extended annually until the
 3 budget and performance of all State agencies and programs are
 4 evaluated in accordance with these performance management
 5 practices.

6 (d) As much as possible, the Bureau shall rely on
 7 existing reporting forms utilized by direct service providers
 8 in collecting data on community based programs and services,
 9 rather than creating a new overlay of reports to be required
 10 of State agencies and providers.

11 Section 15. The State Comptroller Act is amended by
 12 adding Section 6.05 as follows:

13 (15 ILCS 405/6.05 new)

14 Sec. 6.05. Publication of performance management
 15 practices data. The Comptroller shall, in cooperation with
 16 the Bureau of the Budget, compile and publish the data
 17 developed under subsection (b) of Section 6.5 of the Bureau
 18 of the Budget Act.

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