



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB5079

Introduced 2/7/2012, by Rep. Sidney H. Mathias

#### 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 18154 JDS 63378 b

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), and the third  
13 Wednesday in February of each year thereafter, except as  
14 otherwise provided in this Section, submit a State budget,  
15 embracing therein the amounts recommended by the Governor to be  
16 appropriated to the respective departments, offices, and  
17 institutions, and for all other public purposes, the estimated  
18 revenues from taxation, and the estimated revenues from sources  
19 other than taxation. Except with respect to the capital  
20 development provisions of the State budget, beginning with the  
21 revenue estimates prepared for fiscal year 2012, revenue  
22 estimates shall be based solely on: (i) revenue sources  
23 (including non-income resources), rates, and levels that exist

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

1 the previous fiscal year, as set forth in Section 50-25 of this  
2 Law, giving priority to agencies and programs that have  
3 demonstrated a focus on the prevention of waste and the maximum  
4 yield from resources.

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

25 The Governor shall not propose expenditures and the General  
26 Assembly shall not enact appropriations that exceed the

1 resources estimated to be available, as provided in this  
2 Section. Appropriations may be adjusted during the fiscal year  
3 by means of one or more supplemental appropriation bills if any  
4 State agency either fails to meet or exceeds the goals set  
5 forth in Section 50-25 of this Law.

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

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

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

1 associated with the recognition of Section 25 of the State  
2 Finance Act liabilities. For any budgeted fund for which  
3 current year revenues are anticipated to exceed expenditures,  
4 the surplus shall be considered to be a resource available for  
5 expenditure in the budgeted fiscal year.

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

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

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

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

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

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

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

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

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

1 full fiscal year; and

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

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

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

17 (Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881,  
18 eff. 2-11-10; 96-958, eff. 7-1-10; 96-1000, eff. 7-2-10;  
19 96-1529, eff. 2-16-11; 96-1531, eff. 2-16-11; 97-669, eff.  
20 1-13-12.)