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AN ACT concerning State budget stabilization.

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

4 Section 1. Short title. This Act may be cited as the5 Rainy Day Budget Stabilization Act.

б Section 5. Budget Stabilization Fund. The Budget Stabilization Fund is a special fund in the State treasury 7 8 established for the purpose of reducing the need for future tax increases, maintaining the highest possible bond rating, 9 reducing the need for short term borrowing, and providing 10 available resources to meet State obligations whenever casual 11 deficits or failures in revenue occur. In 12 authorizing 13 transfers from the Budget Stabilization Fund, priority consideration must be given to meeting obligations for 14 secondary and elementary education, childcare, and other 15 programs that may provide a direct benefit to children. 16

Section 10. Transfers to Budget Stabilization Fund andEarly Debt Retirement Fund.

(a) For fiscal year 2002, if the Economic and Fiscal 19 Commission's estimates of the State's general funds revenues 20 21 exceed the prior year's estimated general funds revenues by more than 4%, and for each fiscal year thereafter in which 22 the Revenue Estimating Council's report, as adopted by the 23 General Assembly under Section 50-5.5 of the State Budget Law 24 of the Civil Administrative Code of Illinois, estimates 25 revenues into the State's general funds to exceed the prior 26 year's estimated general funds revenues by more than 4%, the 27 Comptroller shall transfer from the General Revenue Fund as 28 provided by this Section a total amount equal to 1% of the 29 30 estimated general funds revenues to the Budget Stabilization Fund or the Early Debt Retirement Fund. Nothing in this Act
 prohibits the General Assembly from appropriating additional
 moneys into the Budget Stabilization Fund or the Early Debt
 Retirement Fund.

5 (b) Except as provided in subsection (c), the 6 Comptroller shall transfer 1/12 of the total amount to be 7 transferred each fiscal year under subsection (a) into the 8 Budget Stabilization Fund on the first day of each month of 9 that fiscal year or as soon thereafter as possible.

10 (c) When the Revenue Estimating Council has estimated 11 that the balance of the Budget Stabilization Fund will exceed 12 4% of the Revenue Estimating Council's estimate of the total 13 general funds revenues, the Comptroller shall:

14 (1) Transfer 1/12 of the total amount identified
15 for transfer to the Budget Stabilization Fund into the
16 Budget Stabilization Fund on the first day of each month
17 of that fiscal year or as soon thereafter as possible;
18 and

19 (2) Transfer 1/12 of the total amount identified
20 for transfer to the Early Debt Retirement Fund into the
21 Early Debt Retirement Fund on the first day of each month
22 of that fiscal year or as soon thereafter as possible.

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Section 15. Notifications.

(a) At any time when the Governor determines that there are insufficient resources available within the general funds of the State to meet the State's obligations, the Governor may request the General Assembly to do one or more of the following:

29 (1) enact legislation that it deems necessary to 30 appropriate or transfer funds or reduce appropriations of 31 the current State budget;

32 (2) enact legislation that it deems necessary to33 transfer funds from the Budget Stabilization Fund to the

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general funds; or

(3) authorize the Governor, in a written document 2 certified by the President of the Senate and the Speaker 3 4 the House of Representatives, to direct of the Comptroller to make transfers from 5 the Budget Stabilization Fund to the general funds in order to 6 7 address cash flow emergencies.

If the General Assembly is not in regular session to 8 (b) 9 enact legislation as provided in subsection (a), the President of the Senate and the Speaker of the House of 10 11 Representatives may certify that the Senate and the House of Representatives are not in regular session and approve of the 12 to transfer funds from the Budget 13 Governor's request Stabilization Fund to the general funds in order to address 14 15 cash flow emergencies.

16 (c) The Comptroller must notify the Governor upon 17 determination that there is, or may be, a cash flow emergency 18 in meeting the obligations of the State.

19 Section 20. Use of the Budget Stabilization Fund.

20 (a) Upon receipt of the certification from the President 21 of the Senate and the Speaker of the House of Representatives 22 authorizing the transfer of funds from the Budget Stabilization Fund, the Governor may direct the Comptroller 23 24 to transfer a specified amount from the Budget Stabilization Fund to a general fund. The directive to the Comptroller must 25 state whether the transfer is in response to failures in 26 27 revenue when collections are not anticipated to meet. projections in the current fiscal year or in response to a 28 29 casual deficit in revenue where collections are expected to meet projections in the current fiscal year. 30

31 (b) The Governor is authorized to direct the Comptroller
32 to transfer funds under this Act until any time that a quorum
33 of the General Assembly can convene in regular or special

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session in order to enact the appropriate legislative
 actions.

(c) If transfers authorized in subsection (a) were 3 4 necessary by the Governor for the purpose of deemed responding to casual deficits in projected revenue within the 5 б same fiscal year, the Governor must direct the Comptroller to 7 transfer all amounts transferred for this purpose from the 8 appropriate general fund into the Budget Stabilization Fund 9 by the end of the same fiscal year or as soon thereafter as 10 possible.

11 Section 800. The State Budget Law of the Civil 12 Administrative Code of Illinois is amended by changing 13 Sections 50-5 and 50-10 and by adding Section 50-5.5 as 14 follows:

15 (15 ILCS 20/50-5) (was 15 ILCS 20/38)

Sec. 50-5. Governor to submit State budget. The Governor 16 17 shall, as soon as possible and not later than the third Wednesday in February of each year beginning in 1998, submit 18 19 a State budget, embracing therein the amounts recommended by 20 the Governor to be appropriated to the respective 21 departments, offices, and institutions, and for all other public purposes, the estimated revenues from taxation, the 22 23 estimated revenues from sources other than taxation, and an 24 estimate of the amount required to be raised by taxation. The amounts recommended by the Governor for appropriation to 25 the respective departments, offices and institutions shall be 26 formulated according to the various functions and activities 27 28 for which the respective department, office or institution of the State government (including the elective officers in the 29 30 executive department and including the University of Illinois 31 and the judicial department) is responsible. The amounts 32 relating to particular functions and activities shall be

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1 further formulated in accordance with the object 2 classification specified in Section 13 of the State Finance 3 Act.

4 The Governor shall not propose expenditures and the 5 General Assembly shall not enact appropriations that exceed 6 the resources estimated to be available, as provided in this 7 Section.

For the purposes of Article VIII, Section 2 of the 1970 8 9 Illinois Constitution, the State budget for <u>and</u> appropriations from the following funds shall be prepared on 10 11 the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting 12 principles for governments: 13

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(1) General Revenue Fund.

(2) Common School Fund.

16 (3) Educational Assistance Fund.

17 (4) Road Fund.

18 (5) Motor Fuel Tax Fund.

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(6) Agricultural Premium Fund.

These funds shall be known as the "budgeted funds". The 20 21 revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, 22 23 plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 24 25 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the 26 receipts collected during the first 2 months of the budgeted 27 year that became due to the State in the year before the 28 budgeted year. Revenues shall also include estimated federal 29 30 reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund 31 32 for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a 33 resource available for expenditure in the budgeted fiscal 34

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1 year.

2 Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by 3 4 the State for the budgeted year that are, to be paid in the 5 next fiscal year, excluding costs paid in the budgeted year 6 which were carried over from the prior year, where the 7 payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to 8 9 exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year. 10

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

By-March--15--of--each--year,--the--Economic--and--Fiscal Commission--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.

19 For all funds other than the budgeted funds, the proposed expenditures shall not exceed funds estimated to be available 20 21 for the fiscal year as shown in the budget. Appropriation 22 for a fiscal year shall not exceed (i) funds estimated by the 23 General Assembly to be available during that year as contained within the joint resolution adopted by the General 24 25 Assembly in accordance with Section 50-5.5 of this Act or 26 (ii) for fiscal year 2002, funds estimated to be available in 27 accordance with this Section prior to the effective date of this amendatory Act of the 92nd General Assembly. The 28 29 General Assembly's appropriations from the general funds for 30 fiscal year 2002 and thereafter may not exceed 99% of the 31 estimated general funds revenues when the revenues exceed the 32 prior year's estimated general funds revenues by more than 4%. Appropriations for a fiscal year must include one or 33 34 more separate line items for payment of liabilities incurred

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1	in a prior fiscal year and authorized to be paid during the
2	budget year under Section 25 of the State Finance Act.
3	(Source: P.A. 90-479, eff. 8-17-97; 91-239, eff. 1-1-00.)
4	(15 ILCS 20/50-5.5 new)
5	<u>Sec.50-5.5 Revenue Estimating Council.</u>
6	<u>(a) There is created a Revenue Estimating Council,</u>
7	consisting of the Director of the Bureau of the Budget, the
8	State Comptroller, and the Director of the Illinois Economic
9	and Fiscal Commission, or their designees.
10	(b) By January 1, 2002 and by January 1 of each year
11	thereafter, the Revenue Estimating Council must prepare
12	revenue and fund transfer estimates in accordance with the
13	requirements of Section 50-5 and report those estimates to
14	the General Assembly. In addition to the revenue and
15	transfer estimates, the Revenue Estimating Council must
16	certify to the following:
17	(1) An estimate of all income of the State from all
18	applicable revenue sources for the next ensuing fiscal
19	year and of any other funds estimated to be available for
20	that fiscal year.
21	(2) When estimated general funds revenues exceed
22	the prior year's estimated general funds revenues by more
23	than 4%, the general funds available for appropriation in
24	an amount equal to 99% of the estimated general funds
25	revenues for the fiscal year.
26	(3) When estimated general funds revenues exceed
27	the prior year's estimated general funds revenues by more
28	than 4%, the general funds available for transfer into
29	the Budget Stabilization Fund or the Early Debt
30	<u>Retirement Fund in a total amount equal to 1% of the</u>
31	estimated general funds revenues for the fiscal year.
32	(4) The amount of transfers into the Budget
33	Stabilization Fund necessary for the balance of the

1	<u>Budget Stabilization Fund to equal 4% of general funds</u>
2	revenues for the budgeted year; and
3	(5) When the Revenue Estimating Council estimates
4	that the balance of the Budget Stabilization Fund shall
5	exceed 4% of the general funds revenues for the budgeted
б	year, the portion of the 1% available for transfer under
7	paragraph (3) for transfer into the Early Debt Retirement
8	Fund.
9	Notwithstanding any other provision of this subsection, for
10	the purpose of determining the estimates under this Section
11	during fiscal year 2002, the Revenue Estimating Council must
12	use the prior year's estimated general funds revenues as
13	determined by the Economic and Fiscal Commission during
14	<u>fiscal year 2002.</u>
15	By April 15 of each year, the Revenue Estimating Council
16	must issue a report updating the estimates required under
17	this subsection as may be required based on more recent
18	information. Upon its issuance, the Revenue Estimating
19	Council must submit the revised report to the Governor and
20	the General Assembly. The House and Senate must adopt the
21	report by joint resolution. The joint resolution constitutes
22	the General Assembly's estimate, under paragraph (b) of
23	Section 2 of Article VIII of the Illinois Constitution, of
24	the funds estimated to be available during the next fiscal
25	year.
26	(c) Prior to the beginning of the fiscal year, the
27	<u>Revenue Estimating Council must prepare a cash flow estimate</u>
28	of the general funds, identifying estimated revenues and cash
29	expenditures for each quarter of the fiscal year. Each
30	quarter of the fiscal year, the Revenue Estimating Council
31	must review the revenue and cash expenditure estimates and
32	issue a report to the Governor and the General Assembly
33	containing updates of the estimates required under this

34 subsection and notification of potential budgetary

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shortfalls.

(15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

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3 Sec. 50-10. Budget contents. The budget shall be submitted by the Governor with line item and program data. 4 5 The budget shall also contain performance data presenting an б estimate for the current fiscal year, projections for the budget year, and information for the 3 prior fiscal years 7 8 comparing department objectives with actual accomplishments, formulated according to the various functions and activities, 9 10 and, wherever the nature of the work admits, according to the work units, for which the respective departments, offices, 11 and institutions of the State government (including the 12 elective officers in the executive department and including 13 14 the University of Illinois and the judicial department) are 15 responsible.

For the fiscal year beginning July 1, 1992 and for each fiscal year thereafter, the budget shall include the performance measures of each department's accountability report.

For the fiscal year beginning July 1, 1997 and for each fiscal year thereafter, the budget shall include one or more line items appropriating moneys to the Department of Human Services to fund participation in the Home-Based Support Services Program for Mentally Disabled Adults under the Developmental Disability and Mental Disability Services Act by persons described in Section 2-17 of that Act.

For the fiscal year beginning July 1, 2002 and for each fiscal year thereafter, the budget must contain one or more line items appropriating moneys to fund all costs in the budget year estimated for payment of liabilities incurred in a prior fiscal year and authorized to be paid in the budget year under Section 25 of the State Finance Act.

33 The budget shall contain a capital development Section in

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1 which the Governor will present (1) information on the 2 capital projects and capital programs for which appropriations are requested, (2) the capital spending plans, 3 4 which shall document the first and subsequent years cash requirements by fund for the proposed bonded program, and (3) 5 6 a statement that shall identify by year the principal and 7 interest costs until retirement of the State's general 8 obligation debt. In addition, the principal and interest 9 costs of the budget year program shall be presented separately, to indicate the marginal cost of principal and 10 11 interest payments necessary to retire the additional bonds 12 needed to finance the budget year's capital program.

For the budget year, the current year, and 3 prior fiscal years, the Governor shall also include in the budget estimates of or actual values for the assets and liabilities for General Assembly Retirement System, State Employees' Retirement System of Illinois, State Universities Retirement System, Teachers' Retirement System of the State of Illinois, and Judges Retirement System of Illinois.

The budget submitted by the Governor shall contain, in 20 21 addition, in a separate book, a tabulation of all position 22 and employment titles in each such department, office, and 23 institution, the number of each, and the salaries for each, to divisions, bureaus, sections, 24 formulated according 25 offices, departments, boards, and similar subdivisions, which 26 shall correspond as nearly as practicable to the functions 27 and activities for which the department, office, or institution is responsible. 28

Together with the budget, the Governor shall transmit the estimates of receipts and expenditures, as received by the director of the Bureau of the Budget, of the elective officers in the executive and judicial departments and of the University of Illinois.

34 (Source: P.A. 91-239, eff. 1-1-00.)

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Section 805. The Illinois Economic and Fiscal Commission
 Act is amended by changing Section 4 as follows:

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(25 ILCS 155/4) (from Ch. 63, par. 344)

Sec. 4. (a) The Commission shall publish, 4 at the 5 convening of each regular session of the General Assembly, a report on the estimated income of the State from all 6 applicable revenue sources for the next ensuing fiscal year 7 8 and of any other funds estimated to be available for such fiscal year. On the third Wednesday in March after the 9 10 session convenes, the Commission shall issue a revised and 11 updated set of revenue figures reflecting the latest information. 12 available The--House--and--Senate--by--joint resolution-shall-adopt-or-modify-such--estimates--as--may--be 13 14 appropriate ---- The -- joint -- resolution -- shall -- constitute -- the 15 General-Assembly's-estimate,-under-paragraph-(b)-of-Section-2 of-Article-VIII-of-the-Constitution,-of-the--funds--estimated 16 17 to-be-available-during-the-next-fiscal-year.

18 (b) On the third Wednesday in March, the Commission 19 shall issue estimated:

20 (1) pension funding requirements under P.A. 86-273;
21 and

(2) liabilities of the State employee group healthinsurance program.

24 These estimated costs shall be for the fiscal year 25 beginning the following July 1.

The requirement for reporting to 26 the General (C) 27 Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the 28 29 House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative 30 31 Research Unit, as required by Section 3.1 of "An Act to revise the law in relation to the General Assembly", approved 32 February 25, 1874, as amended, and filing such additional 33

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copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act. (Source: P.A. 87-1142.)

5 Section 810. The State Finance Act is amended by 6 changing Section 25 and by adding Section 6z-44 as follows:

7 (30 ILCS 105/6z-44 new)

Sec. 6z-44. Early Debt Retirement Fund. The Early Debt 8 9 Retirement Fund is created in the State treasury. Moneys in 10 the Early Debt Retirement Fund may be expended, subject to appropriation, for the payment of deferred liabilities under 11 Section 25 of this Act; the early retirement of unfunded 12 pension liabilities; the retirement of bonded indebtedness 13 14 when practical; and the funding of other long-term fiscal needs of the State. The Early Debt Retirement Fund is exempt 15 from subsections (b) and (c) of Section 5 of this Act. 16

17 (30 ILCS 105/25) (from Ch. 127, par. 161)

18 Sec. 25. Fiscal year limitations.

19 (a) All appropriations shall be available for 20 expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or 21 22 emergency appropriation shall be available for expenditure only through June 30 of the year when the Act making that 23 appropriation is enacted unless that Act otherwise provides. 24

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 2-month period ending at the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee whose compensation is subject to income tax withholding must be performed as of June 30 of the 1 fiscal year in order to be considered an "outstanding 2 liability as of June 30" that is thereby eligible for payment 3 out of the expiring appropriation.

Motwithstanding the provisions of subsections (b-5) and (c) of this Section, when a State agency receives and approves a request for payment of an outstanding liability prior to June 30 of a fiscal year, the payment must be made from the appropriations for that purpose for the fiscal year in which the State agency received and approved the request for payment.

(b-5) However, Payment of tuition reimbursement claims 11 under Section 14-7.03 or 18-3 of the School Code may be made 12 by the State Board of Education from its appropriations for 13 those respective purposes for any fiscal year, even though 14 15 the claims reimbursed by the payment may be claims 16 attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education 17 from the fund from which the appropriation is made without 18 19 regard to any fiscal year limitations.

20 Medical payments may be made by the Department of 21 Veterans' Affairs from its appropriations for those purposes 22 for any fiscal year, without regard to the fact that the 23 medical services being compensated for by such payment may 24 have been rendered in a prior fiscal year.

25 Medical payments may be made by the Department of Public 26 Aid and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) 27 from appropriations for those purposes for any fiscal year, 28 29 without regard to the fact that the medical or child care 30 services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at 31 32 the direction of the Department of Central Management Services from the Health Insurance Reserve Fund and the Local 33 34 Government Health Insurance Reserve Fund without regard to

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1 any fiscal year limitations.

2 Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State 3 4 agency from its appropriations with the approval of the 5 Department of Human Services, from the Immigration Reform and 6 Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to 7 8 any fiscal year limitations.

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9 Further, payments may be made by the Department (C) of Public Health and the Department of Human Services (acting as 10 11 successor to the Department of Public Health under the Department of Human Services Act) from their respective 12 appropriations for grants for medical care to or on behalf of 13 suffering from chronic renal disease, persons 14 persons 15 suffering from hemophilia, rape victims, and premature and 16 high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United 17 18 States Department of Agriculture Women, Infants and Children 19 Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment 20 21 may have been rendered in a prior fiscal year.

(d) The Department of Public Health and the Department 22 23 of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) 24 25 shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, 26 House Minority Leader, and the respective Chairmen 27 and Minority Spokesmen of the Appropriations Committees of the 28 29 Senate and the House, on or before December 31, a report of 30 fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or 31 32 service category those expenditures from the most recently completed fiscal year used to pay for services provided in 33 prior fiscal years. 34

1 (e) The Department of Public Aid and the Department of 2 Human Services (acting as successor to the Department of Aid) shall each annually submit to the State 3 Public 4 Comptroller, Senate President, Senate Minority Leader, 5 Speaker of the House, House Minority Leader, the respective б Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 7 8 30, a report that shall document by program or service 9 category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior 10 11 fiscal years and (ii) services for which claims were received 12 in prior fiscal years.

The Department of Human Services (as successor to 13 (f) the Department of Public Aid) shall annually submit to the 14 State Comptroller, Senate President, Senate Minority Leader, 15 16 Speaker of the House, House Minority Leader, and the and Minority 17 respective Chairmen Spokesmen of the Appropriations Committees of the Senate and the House, on 18 or 19 before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior 20 21 fiscal year. This report shall document by program or 22 service category those expenditures from the most recently 23 completed fiscal year used to pay for services provided in prior fiscal years. 24

(g) In addition, each annual report required to be submitted by the Department of Public Aid under subsection (e) shall include the following information with respect to the State's Medicaid program:

29 (1) Explanations of the exact causes of the
30 variance between the previous year's estimated and actual
31 liabilities.

32 (2) Factors affecting the Department of Public
33 Aid's liabilities, including but not limited to numbers
34 of aid recipients, levels of medical service utilization

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by aid recipients, and inflation in the cost of medical
 services.

3 (3) The results of the Department's efforts to4 combat fraud and abuse.

5 (h) As provided in Section 4 of the General Assembly 6 Compensation Act, any utility bill for service provided to a 7 General Assembly member's district office for a period 8 including portions of 2 consecutive fiscal years may be paid 9 from funds appropriated for such expenditure in either fiscal 10 year.

(i) An agency which administers a fund classified by theComptroller as an internal service fund may issue rules for:

13 (1) billing user agencies in advance based on
14 estimated charges for goods or services;

(2) issuing credits during the subsequent fiscal
year for all user agency payments received during the
prior fiscal year which were in excess of the final
amounts owed by the user agency for that period; and

(3) issuing catch-up billings to user agencies
during the subsequent fiscal year for amounts remaining
due when payments received from the user agency during
the prior fiscal year were less than the total amount
owed for that period.

User agencies are authorized to reimburse internal service funds for catch-up billings by vouchers drawn against their respective appropriations for the fiscal year in which the catch-up billing was issued.

28 (Source: P.A. 89-235, eff. 8-4-95; 89-507, eff. 7-1-97; 29 89-511, eff. 1-1-97; 90-14, eff. 7-1-97; 90-168, eff. 30 7-23-97.)

31 Section 900. Severability. The provisions of this Act 32 are severable under Section 1.31 of the Statute on Statutes.

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Section 999. Effective date. This Act takes effect upon
 becoming law.