

1 AN ACT concerning budget stabilization.

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

4 Section 1. Short title. This Act may be cited as the
5 Budget Stabilization and Reform Act.

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

19 Section 10. Transfers to Budget Stabilization Fund and
20 Early Debt Retirement Fund.

21 (a) For fiscal year 2003, if the Economic and Fiscal
22 Commission's estimates of the State's general funds revenues
23 exceed the prior year's estimated general funds revenues by
24 more than 4%, and for each fiscal year thereafter in which
25 the Revenue Estimating Council's report, as adopted by the
26 General Assembly under Section 50-5.5 of the State Budget Law
27 of the Civil Administrative Code of Illinois, estimates
28 revenues into the State's general funds to exceed the prior
29 year's estimated general funds revenues by more than 4%, the
30 Comptroller shall transfer from the General Revenue Fund as

1 provided by this Section a total amount equal to 1% of the
2 estimated general funds revenues to the Budget Stabilization
3 Fund or the Early Debt Retirement Fund. Nothing in this Act
4 prohibits the General Assembly from appropriating additional
5 moneys into the Budget Stabilization Fund or the Early Debt
6 Retirement Fund.

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

12 (c) When the Revenue Estimating Council has estimated
13 that the balance of the Budget Stabilization Fund will exceed
14 4% of the Revenue Estimating Council's estimate of the total
15 general funds revenues, the Comptroller shall:

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

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

25 Section 800. The State Budget Law of the Civil
26 Administrative Code of Illinois is amended by changing
27 Sections 50-5 and 50-10 and by adding Section 50-5.5 as
28 follows:

29 (15 ILCS 20/50-5) (was 15 ILCS 20/38)

30 Sec. 50-5. Governor to submit State budget. The Governor
31 shall, as soon as possible and not later than the third
32 Wednesday in February of each year beginning in 1998, submit

1 a State budget, embracing therein the amounts recommended by
2 the Governor to be appropriated to the respective
3 departments, offices, and institutions, and for all other
4 public purposes, the estimated revenues from taxation, the
5 estimated revenues from sources other than taxation, and an
6 estimate of the amount required to be raised by taxation.
7 The amounts recommended by the Governor for appropriation to
8 the respective departments, offices and institutions shall be
9 formulated according to the various functions and activities
10 for which the respective department, office or institution of
11 the State government (including the elective officers in the
12 executive department and including the University of Illinois
13 and the judicial department) is responsible. The amounts
14 relating to particular functions and activities shall be
15 further formulated in accordance with the object
16 classification specified in Section 13 of the State Finance
17 Act.

18 The Governor shall not propose expenditures and the
19 General Assembly shall not enact appropriations that exceed
20 the resources estimated to be available, as provided in this
21 Section.

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

- 28 (1) General Revenue Fund.
- 29 (2) Common School Fund.
- 30 (3) Educational Assistance Fund.
- 31 (4) Road Fund.
- 32 (5) Motor Fuel Tax Fund.
- 33 (6) Agricultural Premium Fund.

34 These funds shall be known as the "budgeted funds". The

1 revenue estimates used in the State budget for the budgeted
2 funds shall include the estimated beginning fund balance,
3 plus revenues estimated to be received during the budgeted
4 year, plus the estimated receipts due the State as of June 30
5 of the budgeted year that are expected to be collected during
6 the lapse period following the budgeted year, minus the
7 receipts collected during the first 2 months of the budgeted
8 year that became due to the State in the year before the
9 budgeted year. Revenues shall also include estimated federal
10 reimbursements associated with the recognition of Section 25
11 of the State Finance Act liabilities. For any budgeted fund
12 for which current year revenues are anticipated to exceed
13 expenditures, the surplus shall be considered to be a
14 resource available for expenditure in the budgeted fiscal
15 year.

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

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

28 ~~By--March--15--of--each--year,--the--Economic--and--Fiscal~~
29 ~~Commission--shall--prepare--revenue--and--fund--transfer--estimates~~
30 ~~in--accordance--with--the--requirements--of--this--Section--and~~
31 ~~report--those--estimates--to--the--General--Assembly--and--the~~
32 ~~Governor.~~

33 For all funds other than the budgeted funds, the proposed
34 expenditures shall not exceed funds estimated to be available

1 for the fiscal year as shown in the budget. Appropriation
 2 for a fiscal year shall not exceed (i) funds estimated by the
 3 General Assembly to be available during that year as
 4 contained within the joint resolution adopted by the General
 5 Assembly in accordance with Section 50-5.5 of this Act or
 6 (ii) for fiscal year 2003, funds estimated to be available in
 7 accordance with this Section prior to the effective date of
 8 this amendatory Act of the 92nd General Assembly. The
 9 General Assembly's appropriations from the general funds for
 10 fiscal year 2003 and thereafter may not exceed 99% of the
 11 estimated general funds revenues when the revenues exceed the
 12 prior year's estimated general funds revenues by more than
 13 4%. Appropriations for a fiscal year must include one or
 14 more separate line items for payment of liabilities incurred
 15 in a prior fiscal year and authorized to be paid during the
 16 budget year under Section 25 of the State Finance Act.

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

18 (15 ILCS 20/50-5.5 new)

19 Sec. 50-5.5. Revenue Estimating Council.

20 (a) There is created a Revenue Estimating Council,
 21 consisting of the Director of the Bureau of the Budget, the
 22 State Comptroller, and the Director of the Illinois Economic
 23 and Fiscal Commission, or their designees.

24 (b) By January 1, 2003 and by January 1 of each year
 25 thereafter, the Revenue Estimating Council must prepare
 26 revenue and fund transfer estimates in accordance with the
 27 requirements of Section 50-5 and report those estimates to
 28 the General Assembly. In addition to the revenue and
 29 transfer estimates, the Revenue Estimating Council must
 30 certify to the following:

31 (1) An estimate of all income of the State from all
 32 applicable revenue sources for the next ensuing fiscal
 33 year and of any other funds estimated to be available for

1 that fiscal year.

2 (2) When estimated general funds revenues exceed
3 the prior year's estimated general funds revenues by more
4 than 4%, the general funds available for appropriation in
5 an amount equal to 99% of the estimated general funds
6 revenues for the fiscal year.

7 (3) When estimated general funds revenues exceed
8 the prior year's estimated general funds revenues by more
9 than 4%, the general funds available for transfer into
10 the Budget Stabilization Fund or the Early Debt
11 Retirement Fund in a total amount equal to 1% of the
12 estimated general funds revenues for the fiscal year.

13 (4) The amount of transfers into the Budget
14 Stabilization Fund necessary for the balance of the
15 Budget Stabilization Fund to equal 4% of general funds
16 revenues for the budgeted year; and

17 (5) When the Revenue Estimating Council estimates
18 that the balance of the Budget Stabilization Fund shall
19 exceed 4% of the general funds revenues for the budgeted
20 year, the portion of the 1% available for transfer under
21 paragraph (3) for transfer into the Early Debt Retirement
22 Fund.

23 Notwithstanding any other provision of this subsection, for
24 the purpose of determining the estimates under this Section
25 for fiscal year 2003, the Revenue Estimating Council must use
26 the prior year's estimated general funds revenues as
27 determined by the Economic and Fiscal Commission for fiscal
28 year 2002.

29 By April 15 of each year, the Revenue Estimating Council
30 must issue a report updating the estimates required under
31 this subsection as may be required based on more recent
32 information. Upon its issuance, the Revenue Estimating
33 Council must submit the revised report to the Governor and
34 the General Assembly. The House and Senate must adopt the

1 report by joint resolution. The joint resolution constitutes
2 the General Assembly's estimate, under paragraph (b) of
3 Section 2 of Article VIII of the Illinois Constitution, of
4 the funds estimated to be available during the next fiscal
5 year.

6 (c) Prior to the beginning of the fiscal year, the
7 Revenue Estimating Council must prepare a cash flow estimate
8 of the general funds, identifying estimated revenues and cash
9 expenditures for each quarter of the fiscal year. Each
10 quarter of the fiscal year, the Revenue Estimating Council
11 must review the revenue and cash expenditure estimates and
12 issue a report to the Governor and the General Assembly
13 containing updates of the estimates required under this
14 subsection and notification of potential budgetary
15 shortfalls.

16 (15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

17 Sec. 50-10. Budget contents. The budget shall be
18 submitted by the Governor with line item and program data.
19 The budget shall also contain performance data presenting an
20 estimate for the current fiscal year, projections for the
21 budget year, and information for the 3 prior fiscal years
22 comparing department objectives with actual accomplishments,
23 formulated according to the various functions and activities,
24 and, wherever the nature of the work admits, according to the
25 work units, for which the respective departments, offices,
26 and institutions of the State government (including the
27 elective officers in the executive department and including
28 the University of Illinois and the judicial department) are
29 responsible.

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

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

8 For the fiscal year beginning July 1, 2003 and for each
9 fiscal year thereafter, the budget must contain one or more
10 line items appropriating moneys to fund all costs in the
11 budget year estimated for payment of liabilities incurred in
12 a prior fiscal year and authorized to be paid in the budget
13 year under Section 25 of the State Finance Act.

14 The budget shall contain a capital development Section in
15 which the Governor will present (1) information on the
16 capital projects and capital programs for which
17 appropriations are requested, (2) the capital spending plans,
18 which shall document the first and subsequent years cash
19 requirements by fund for the proposed bonded program, and (3)
20 a statement that shall identify by year the principal and
21 interest costs until retirement of the State's general
22 obligation debt. In addition, the principal and interest
23 costs of the budget year program shall be presented
24 separately, to indicate the marginal cost of principal and
25 interest payments necessary to retire the additional bonds
26 needed to finance the budget year's capital program.

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

34 The budget submitted by the Governor shall contain, in

1 addition, in a separate book, a tabulation of all position
 2 and employment titles in each such department, office, and
 3 institution, the number of each, and the salaries for each,
 4 formulated according to divisions, bureaus, sections,
 5 offices, departments, boards, and similar subdivisions, which
 6 shall correspond as nearly as practicable to the functions
 7 and activities for which the department, office, or
 8 institution is responsible.

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

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

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

17 (25 ILCS 155/4) (from Ch. 63, par. 344)

18 Sec. 4. (a) The Commission shall publish, at the
 19 convening of each regular session of the General Assembly, a
 20 report on the estimated income of the State from all
 21 applicable revenue sources for the next ensuing fiscal year
 22 and of any other funds estimated to be available for such
 23 fiscal year. On the third Wednesday in March after the
 24 session convenes, the Commission shall issue a revised and
 25 updated set of revenue figures reflecting the latest
 26 available information. ~~The--House--and--Senate--by--joint~~
 27 ~~resolution--shall--adopt--or--modify--such--estimates--as--may--be~~
 28 ~~appropriate.---The--joint--resolution--shall--constitute--the~~
 29 ~~General-Assembly's-estimate,-under-paragraph-(b)-of-Section-2~~
 30 ~~of-Article-VIII-of-the-Constitution,-of-the--funds--estimated~~
 31 ~~to-be-available-during-the-next-fiscal-year.~~

32 (b) On the third Wednesday in March, the Commission

1 shall issue estimated:

- 2 (1) pension funding requirements under P.A. 86-273;
- 3 and
- 4 (2) liabilities of the State employee group health
- 5 insurance program.

6 These estimated costs shall be for the fiscal year
7 beginning the following July 1.

8 (c) The requirement for reporting to the General
9 Assembly shall be satisfied by filing copies of the report
10 with the Speaker, the Minority Leader and the Clerk of the
11 House of Representatives and the President, the Minority
12 Leader and the Secretary of the Senate and the Legislative
13 Research Unit, as required by Section 3.1 of "An Act to
14 revise the law in relation to the General Assembly", approved
15 February 25, 1874, as amended, and filing such additional
16 copies with the State Government Report Distribution Center
17 for the General Assembly as is required under paragraph (t)
18 of Section 7 of the State Library Act.

19 (Source: P.A. 87-1142.)

20 Section 810. The State Finance Act is amended by
21 changing Sections 6z-51 and 25 and by adding Section 6z-60 as
22 follows:

23 (30 ILCS 105/6z-51)

24 Sec. 6z-51. Budget Stabilization Fund.

25 (a) The Budget Stabilization Fund, a special fund in the
26 State Treasury, shall consist of moneys appropriated or
27 transferred to that Fund, as provided in Section 6z-43 and as
28 otherwise provided by law. All earnings on Budget
29 Stabilization Fund investments shall be deposited into that
30 Fund.

31 (b) The State Comptroller may direct the State Treasurer
32 to transfer moneys from the Budget Stabilization Fund to the

1 General Revenue Fund in order to meet deficits resulting from
 2 timing variations between disbursements and the receipt of
 3 funds within a fiscal year. Any moneys so borrowed shall be
 4 repaid by June 30 of the fiscal year in which they were
 5 borrowed.

6 (Source: P.A. 92-11, eff. 6-11-01.)

7 (30 ILCS 105/6z-60 new)

8 Sec. 6z-60. Early Debt Retirement Fund. The Early Debt
 9 Retirement Fund is created in the State treasury. Moneys in
 10 the Early Debt Retirement Fund may be expended, subject to
 11 appropriation, for the payment of deferred liabilities under
 12 Section 25 of this Act; the early retirement of unfunded
 13 pension liabilities; the retirement of bonded indebtedness
 14 when practical; and the funding of other long-term fiscal
 15 needs of the State. The Early Debt Retirement Fund is exempt
 16 from subsections (b) and (c) of Section 5 of this Act.

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
 21 Act making that appropriation so specifies. A deficiency or
 22 emergency appropriation shall be available for expenditure
 23 only through June 30 of the year when the Act making that
 24 appropriation is enacted unless that Act otherwise provides.

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

1 liability as of June 30" that is thereby eligible for payment
2 out of the expiring appropriation.

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

10 (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 the claims reimbursed by the payment may be claims
15 attributable to a prior fiscal year, and payments may be made
16 at the direction of the State Superintendent of Education
17 from the fund from which the appropriation is made without
18 regard to any fiscal year limitations.

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

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

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

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

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

34 (e) The Department of Public Aid and the Department of

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

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

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

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

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

1 services.

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

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

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

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

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

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

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

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

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

32 Section 999. Effective date. This Act takes effect upon

1 becoming law.