



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3699

Introduced 2/10/2012, by Sen. Linda Holmes

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 315/15

from Ch. 48, par. 1615

20 ILCS 415/26 new

30 ILCS 105/5.811 new

30 ILCS 105/6z-93 new

Creates the Division of Financial Reporting Act. Provides that the Division will serve under the direction of the State Chief Information Officer, subject to the oversight of the Board of Trustees. Sets forth the responsibilities of the Division, including, but not limited to: implementing a modernized financial accounting system for the State of Illinois in the form of an Enterprise Resource Planning or "ERP" System and conducting management and operational evaluations of each executive branch agency. Creates a Board of Trustees to oversee the Division. Effective immediately.

LRB097 19476 HLH 64729 b

FISCAL NOTE ACT
MAY APPLY

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 1. Short title. This Act may be cited as the
5 Division of Financial Reporting Act.

6 Section 5. Findings. The General Assembly finds that:

7 (1) Addressing the State's inability to produce
8 Generally Accepted Accounting Principles (GAAP)-compliant
9 financial reports in a timely manner is an urgent priority.

10 (2) The Auditor General's recent findings on the
11 State's financial accounting systems provide a unique
12 opportunity for key stakeholders to make policy choices
13 that can materially improve the State's likelihood of
14 success in addressing this problem.

15 (3) The State's problems in financial reporting
16 represent the cumulative effect of a multitude of systemic
17 challenges, including: archaic technology, insufficient
18 staff resources in the areas of accounting, technology,
19 training, financial analysis, and other fields, disparate
20 approaches to financial reporting among dozens of
21 agencies.

22 (4) Implementing a modern, agile process for
23 collecting, assembling, in a uniform fashion, financial

1 information such that the State can produce timely,
2 GAAP-compliant financial reports through an Enterprise
3 Resource Planning (ERP) system will involve not only
4 significant monetary investment in software acquisition
5 and implementation services, but also, preliminarily,
6 changes to the structure and internal management of State
7 government.

8

9 Section 10. Division of Financial Reporting; creation.

10 There is hereby created a Division of Financial Reporting. The
11 Division will serve under the direction of the State Chief
12 Information Officer, subject to the oversight of the Board of
13 Trustees. The Division shall have the following
14 responsibilities:

15 (1) to implement a modernized financial accounting
16 system for the State of Illinois in the form of an
17 Enterprise Resource Planning or "ERP" System;

18 (2) to assemble a group of management professionals,
19 having both public and private sector experience, in
20 addition to experience in ERP implementation and financial
21 reporting needs of agencies in the executive branch; the
22 Division shall be staffed with professionals having
23 high-level skill sets in accounting, financial reporting
24 and management, enterprise systems implementation, and
25 business process reengineering; these professionals will

1 provide assistance to executive branch agencies engaged in
2 financial reporting, technology, and ERP implementation;

3 (3) to provide certification and continuing education
4 in the areas of accounting financial reporting and
5 technology;

6 (4) to conduct management and operational evaluations
7 of each executive branch agency; and to submit a
8 recommended plan for personnel changes, operational
9 changes, and policy modifications to the Office of the
10 Governor, the General Assembly, and the Comptroller's
11 office; all executive branch agencies directly responsible
12 to the Governor shall align their respective technology
13 strategies and operations to the plan and render full
14 cooperation in its implementation

15 (5) to work, in cooperation with the Executive Ethics
16 Commission, the Chief Procurement Officers appointed
17 pursuant to P.A. 96-795, the Department of Central
18 Management Services, the Office of the Comptroller, and
19 other stakeholders on an optimal procurement strategy for
20 acquiring the software and services for ERP implementation
21 and for the implementation of other enterprise wide
22 systems;

23 (6) to employ the individuals that are necessary to
24 carry out the duties and functions of the Office;

25 (7) to obligate and expend monetary resources
26 essential for carrying out the duties and responsibilities

1 of the Office;

2 (8) to work in cooperation with the Governor's Office
3 of Management and Budget, agency directors, and the Office
4 of the Comptroller to address agency needs and the delivery
5 of timely information;

6 (9) to assemble a team of management professionals as
7 staff for the Division and for the performance of other
8 duties set forth in this Act;

9 (10) to undertake any other act essential for the
10 performance of the duties and responsibilities of the
11 Office.

12 (11) to direct the State's financial reporting and
13 related technology policies, practices, and objectives
14 with respect to all State agencies directly responsible to
15 the Governor.

16 Section 15. Board of Trustees. There is hereby created a
17 Board of Trustees for the Division, consisting of 7 members.
18 The Governor, the Comptroller, the Speaker of the House of
19 Representatives, the Minority Leader of the House of
20 Representatives, the Senate President, and the Senate Minority
21 Leader shall each appoint one. The Governor and the Comptroller
22 will each designate a person to serve as co-chairperson. The
23 purpose of the Board of Trustees is to ensure transparency,
24 open communication, and ongoing collaboration between the
25 legislative and executive branches, as well as within and among

1 the executive branch constitutional officers and agencies. At
2 each meeting the Director of the Division of Financial
3 Reporting will present a detailed report to the trustees
4 outlining all the activities of the Division during the
5 preceding months and will solicit input advice and consultation
6 from the trustees. Meetings of the board shall be subject to
7 the provisions of the Open Meetings Act.

8 Section 20. Exemptions. Notwithstanding any laws, rules,
9 or regulations to the contrary, the Division of Financial
10 Reporting is exempt from all provisions of the Personnel Code
11 and the Illinois Public Labor Relations Act.

12 Section 30. Cooperation. All executive branch agencies
13 must render full cooperation to the Division and its employees.

14 Section 50. The Illinois Public Labor Relations Act is
15 amended by changing Section 15 as follows:

16 (5 ILCS 315/15) (from Ch. 48, par. 1615)

17 Sec. 15. Act Takes Precedence.

18 (a) In case of any conflict between the provisions of this
19 Act and any other law (other than Section 5 of the State
20 Employees Group Insurance Act of 1971, ~~and~~ other than the
21 changes made to the Illinois Pension Code by this amendatory
22 Act of the 96th General Assembly, and other than the Division

1 of Financial Reporting Act), executive order or administrative
2 regulation relating to wages, hours and conditions of
3 employment and employment relations, the provisions of this Act
4 or any collective bargaining agreement negotiated thereunder
5 shall prevail and control. Nothing in this Act shall be
6 construed to replace or diminish the rights of employees
7 established by Sections 28 and 28a of the Metropolitan Transit
8 Authority Act, Sections 2.15 through 2.19 of the Regional
9 Transportation Authority Act. The provisions of this Act are
10 subject to Section 5 of the State Employees Group Insurance Act
11 of 1971. Nothing in this Act shall be construed to replace the
12 necessity of complaints against a sworn peace officer, as
13 defined in Section 2(a) of the Uniform Peace Officer
14 Disciplinary Act, from having a complaint supported by a sworn
15 affidavit.

16 (b) Except as provided in subsection (a) above, any
17 collective bargaining contract between a public employer and a
18 labor organization executed pursuant to this Act shall
19 supersede any contrary statutes, charters, ordinances, rules
20 or regulations relating to wages, hours and conditions of
21 employment and employment relations adopted by the public
22 employer or its agents. Any collective bargaining agreement
23 entered into prior to the effective date of this Act shall
24 remain in full force during its duration.

25 (c) It is the public policy of this State, pursuant to
26 paragraphs (h) and (i) of Section 6 of Article VII of the

1 Illinois Constitution, that the provisions of this Act are the
2 exclusive exercise by the State of powers and functions which
3 might otherwise be exercised by home rule units. Such powers
4 and functions may not be exercised concurrently, either
5 directly or indirectly, by any unit of local government,
6 including any home rule unit, except as otherwise authorized by
7 this Act.

8 (Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

9 Section 55. The Personnel Code is amended by adding Section
10 26 as follows:

11 (20 ILCS 415/26 new)

12 Sec. 26. Division of Financial Reporting Act. This Code is
13 subject to the provisions of the Division of Financial
14 Reporting Act.

15 Section 90. The State Finance Act is amended by adding
16 Sections 5.811 and 6z-93 as follows:

17 (30 ILCS 105/5.811 new)

18 Sec. 5.811. The Division of Financial Reporting Revolving
19 Fund.

20 (30 ILCS 105/6z-93 new)

21 Sec. 6z-93. Division of Financial Reporting Revolving

1 Fund; creation. There is hereby created in the State treasury a
2 revolving fund as a dedicated fund to receive funds payable to
3 the Division of Financial Reporting for services provided to
4 State agencies. Moneys may be expended from the Fund for the
5 operations of the Division of Financial Reporting.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.