

1 AN ACT in relation to balancing budgets.

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 Illinois Balanced Budget Act.

6 Section 5. Illinois Balanced Budget Commission. There
7 is established the Illinois Balanced Budget Commission,
8 composed of 8 members. The President of the Senate, Senate
9 Minority Leader, Speaker of the House, and House Minority
10 Leader shall each appoint one member. The Governor shall
11 appoint 4 members. No more than 2 of the members appointed
12 by the Governor shall be from the same political party. All
13 members shall be private citizens with substantial
14 professional experience in financial management or expertise
15 in economic forecasting. Members are appointed for 2-year
16 terms, corresponding with sessions of the General Assembly.
17 Members shall elect 2 co-chairpersons, and organize
18 themselves as they deem necessary, at their first meeting.
19 The Commission shall meet as often as the members may deem
20 necessary, but shall meet at least twice each calendar year.
21 Meetings shall be held at a time and place designated by the
22 2 co-chairpersons. Members shall serve without compensation,
23 but shall be reimbursed for expenses.

24 Section 10. Balanced Budget Revenue Estimate. The sole
25 function of the Illinois Balanced Budget Commission shall be
26 to provide a Balanced Budget Revenue Estimate for each fiscal
27 year of the State. The Estimate shall include all funds that
28 make up the general funds of the State. The Estimate shall
29 be based on the most probable and reasonable economic
30 forecast for Illinois for the fiscal year. The Bureau of the

1 Budget and the Illinois Economic and Fiscal Commission shall
2 provide staff support and information pertaining to their
3 individual revenue estimates as may be requested by the
4 Commission. The Commission may also request staff support
5 and information from the Office of the Comptroller, any of
6 the State's universities, and any department or agency of the
7 State.

8 By January 15 of each year, the Commission shall approve
9 a preliminary Estimate for the fiscal year that begins on the
10 following July 1.

11 By April 30 of each year, the Commission shall approve a
12 final Estimate for the fiscal year that begins on the
13 following July 1.

14 The Commission may revise its final Estimate for a fiscal
15 year at any time between September 1 and January 15 of the
16 fiscal year to reflect changes in the economic forecast or in
17 actual revenue performance for the fiscal year. The
18 Commission may revise its estimate at any time to reflect the
19 passage of legislation that creates new revenue.

20 Section 15. Balanced Budget Limit. The Balanced Budget
21 Revenue Estimate shall serve as a limit on appropriations
22 from the general funds of the State. At no time in any
23 fiscal year shall total general funds appropriations exceed
24 the final Balanced Budget Revenue Estimate, as approved and
25 revised by the Commission and net of any deposits that may be
26 required into the Illinois Fiscal and Economic Stability
27 Fund.

28 By January 31 of each fiscal year, the Comptroller shall
29 certify to the Governor and the 4 leaders of the General
30 Assembly that current general funds appropriations either
31 exceed or do not exceed the Balanced Budget Limit.

32 If current general funds appropriations exceed the Limit,
33 the Comptroller shall prepare a proposed Balanced Budget

1 Reserve Act for the fiscal year. The proposed Act shall set
2 forth the total Balanced Budget Reserve that would be
3 required to reduce expenditures from general funds
4 appropriations to the Balanced Budget Limit, and the share of
5 the total Reserve to be held by each branch of government and
6 each State department and agency, calculated on a
7 proportional basis. The Comptroller shall submit the
8 proposed Balanced Budget Reserve Act to the Governor and the
9 4 leaders of the General Assembly by January 31. The reserves
10 for each branch of government and each State department and
11 agency may be reallocated so that the total Balanced Budget
12 Reserve is equal to the total Balanced Budget Reserve
13 contained in the proposed Act.

14 Section 20. Proposed Balanced Budget Reserve Act. The
15 substantive provisions of the proposed Balanced Budget
16 Reserve Act for any fiscal year shall be in substantially the
17 following form:

18 "The Balanced Budget Reserve Act of Fiscal Year

19 Section 1005. Findings. The General Assembly finds
20 that appropriations from general funds for fiscal year
21 exceed the statutory limit established by the
22 Balanced Budget Act. The General Assembly further finds
23 that unless general funds appropriations are reduced
24 immediately, the State shall incur obligations that it
25 cannot pay in a timely manner. Therefore, the General
26 Assembly finds that it is necessary and expedient to
27 implement a procedure for reducing appropriations, and
28 that a procedure creating Balanced Budget Reserves for
29 the State's fiscal year is consistent with the
30 requirements of the Illinois Constitution, the
31 requirements of the Balanced Budget Act, and the policies
32 and priorities adopted by the General Assembly in forming
33 the fiscal year budget.

1 Section 1010. Definitions.

2 (a) For the purposes of this Act, the term "State
3 agency" is defined as in Section 1-7 of the Illinois
4 State Auditing Act. The term also includes circuit
5 courts and other judicial agencies that receive
6 appropriations of State funds.

7 (b) For the purposes of this Act, the term
8 "certifying officer" means:

9 (1) The Lieutenant Governor as to
10 appropriations made to that officer and as to
11 appropriations from which that officer is authorized
12 to approve expenditures under Section 10 of the
13 State Finance Act.

14 (2) The Attorney General as to appropriations
15 made to that officer and as to appropriations from
16 which that officer is authorized to approve
17 expenditures under Section 10 of the State Finance
18 Act.

19 (3) The Secretary of State as to
20 appropriations made to that officer and as to
21 appropriations from which that officer is authorized
22 to approve expenditures under Section 10 of the
23 State Finance Act.

24 (4) The Treasurer as to appropriations made to
25 that officer and as to appropriations from which
26 that officer is authorized to approve expenditures
27 under the State Finance Act.

28 (5) The Comptroller as to appropriations made
29 to that officer and as to appropriations from which
30 that officer is authorized to approve expenditures
31 under Section 10 of the State Finance Act.

32 (6) The Joint Committee on Legislative Support
33 Services as to appropriations to the General
34 Assembly, the Auditor General, and the officers,

1 boards, commissions, bureaus, or agencies that are
2 part of the Legislative Branch of government.

3 (7) The Chief Justice of the Illinois Supreme
4 Court as to appropriations to State agencies that
5 are part of the Judicial Branch of government.

6 (8) The Governor as to appropriations made to
7 that officer and as to appropriations from which
8 that officer is authorized to approve expenditures
9 under Section 10 of the State Finance Act.

10 (9) The Governor in all other cases.

11 Section 1015. Designation of Balanced Budget
12 Reserves.

13 (a) Each certifying officer shall designate, by
14 appropriation and line item, amounts to be held in a
15 Balanced Budget Reserve from the amounts appropriated
16 from the General Revenue Fund, the Common School Fund,
17 and the Education Assistance Fund for State fiscal year
18 to the State agencies for which he or she is the
19 certifying officer. The total amount to be designated
20 from each State agency by its certifying officer shall be
21 as follows:

22	State Agency	Reserve
23	Legislative Agencies	
24	General Assembly and legislative agencies	\$....
25	Judicial Agencies	
26	Supreme Court	\$....
27	Judicial Inquiry Board	\$....
28	State Appellate Defender	\$....
29	State's	
30	Attorneys Appellate Prosecutor	\$....
31	Constitutional Elected Officers	
32	Governor	\$....
33	Lieutenant Governor	\$....

1	Attorney General	\$....
2	Secretary of State	\$....
3	Comptroller	\$....
4	Treasurer	\$....
5	Departments	
6	[List all code departments]	\$....
7	Other Agencies	
8	[List all other State agencies]	\$....
9	Higher Education	
10	[List all higher education agencies]	\$....

11 (b) No certifying officer shall designate amounts
 12 to be held in a Balanced Budget Reserve from
 13 appropriations for payment of salaries fixed by law for
 14 State officers.

15 (c) The amounts held in a Balanced Budget Reserve
 16 shall not be transferred, used, obligated, or otherwise
 17 encumbered during fiscal year, including any time
 18 allowed for payment of obligations after the end of the
 19 fiscal year under Section 25 of the State Finance Act.

20 (d) Any periodic transfers or expenditures that are
 21 based on amounts appropriated shall be reduced to
 22 accommodate the Balanced Budget Reserves established
 23 under this Act. Any necessary prorating of periodic
 24 payments from the Common School Fund or the Education
 25 Assistance Fund shall be distributed equally among the
 26 remaining payments for fiscal year

27 (e) By March 1,, each certifying officer
 28 shall notify the Comptroller of all amounts that he or
 29 she has designated to be held in a Balanced Budget
 30 Reserve. The notification shall include the total amount
 31 and a complete list by line item.

32 (f) By March 15,, the Comptroller shall
 33 certify to the Governor, to the President and Minority
 34 Leader of the Senate, and to the Speaker and Minority

1 Leader of the House of Representatives whether the
2 amounts designated by each certifying officer to be held
3 in a Balanced Budget Reserve equal the amounts required
4 under this Act.

5 (g) The designated Balanced Budget Reserves shall
6 take effect on April 1,

7 Section 1020. Authority to make reductions.
8 Notwithstanding any other Act to the contrary, each State
9 agency is authorized to limit, reduce, or adjust
10 services, payment rates, expenditures, transfers, and
11 eligibility criteria as necessary to implement Balanced
12 Budget Reserves under this Act, to the extent permitted
13 by federal law. Any such adjustment, reduction, or
14 limitation shall expire on July 1,

15 Section 1025. Severability. Each of the provisions
16 of this Act, including the amendatory provisions, are
17 severable under Section 1.31 of the Statute on Statutes.

18 Section 1090. Repeal. This Act is repealed on
19 October 1,

20 Section 1099. Effective date. This Act takes
21 effect upon becoming law."

22 Section 90. The State Finance Act is amended by changing
23 Section 25 as follows:

24 (30 ILCS 105/25) (from Ch. 127, par. 161)

25 Sec. 25. Fiscal year limitations.

26 (a) All appropriations shall be available for
27 expenditure for the fiscal year or for a lesser period if the
28 Act making that appropriation so specifies. A deficiency or

1 emergency appropriation shall be available for expenditure
2 only through June 30 of the year when the Act making that
3 appropriation is enacted unless that Act otherwise provides.

4 (b) For fiscal years ending on or before June 30, 2006,
5 outstanding liabilities as of June 30, payable from
6 appropriations which have otherwise expired, may be paid out
7 of the expiring appropriations during the 2-month period
8 ending at the close of business on August 31. For fiscal
9 years ending on June 30, 2007 and all subsequent years,
10 outstanding liabilities as of June 30, payable from
11 appropriations that have otherwise expired, may be paid out
12 of the expiring appropriations during the one-month period
13 ending at the close of business on July 31. Any service
14 involving professional or artistic skills or any personal
15 services by an employee whose compensation is subject to
16 income tax withholding must be performed as of June 30 of the
17 fiscal year in order to be considered an "outstanding
18 liability as of June 30" that is thereby eligible for payment
19 out of the expiring appropriation.

20 However, payment of tuition reimbursement claims under
21 Section 14-7.03 or 18-3 of the School Code may be made by the
22 State Board of Education from its appropriations for those
23 respective purposes for any fiscal year, even though the
24 claims reimbursed by the payment may be claims attributable
25 to a prior fiscal year, and payments may be made at the
26 direction of the State Superintendent of Education from the
27 fund from which the appropriation is made without regard to
28 any fiscal year limitations.

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

34 Medical payments may be made by the Department of Public

1 Aid and child care payments may be made by the Department of
2 Human Services (as successor to the Department of Public Aid)
3 from appropriations for those purposes for any fiscal year,
4 without regard to the fact that the medical or child care
5 services being compensated for by such payment may have been
6 rendered in a prior fiscal year; and payments may be made at
7 the direction of the Department of Central Management
8 Services from the Health Insurance Reserve Fund and the Local
9 Government Health Insurance Reserve Fund without regard to
10 any fiscal year limitations.

11 Additionally, payments may be made by the Department of
12 Human Services from its appropriations, or any other State
13 agency from its appropriations with the approval of the
14 Department of Human Services, from the Immigration Reform and
15 Control Fund for purposes authorized pursuant to the
16 Immigration Reform and Control Act of 1986, without regard to
17 any fiscal year limitations.

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

31 (d) The Department of Public Health and the Department
32 of Human Services (acting as successor to the Department of
33 Public Health under the Department of Human Services Act)
34 shall each annually submit to the State Comptroller, Senate

1 President, Senate Minority Leader, Speaker of the House,
2 House Minority Leader, and the respective Chairmen and
3 Minority Spokesmen of the Appropriations Committees of the
4 Senate and the House, on or before December 31, a report of
5 fiscal year funds used to pay for services provided in any
6 prior fiscal year. This report shall document by program or
7 service category those expenditures from the most recently
8 completed fiscal year used to pay for services provided in
9 prior fiscal years.

10 (e) The Department of Public Aid and the Department of
11 Human Services (acting as successor to the Department of
12 Public Aid) shall each annually submit to the State
13 Comptroller, Senate President, Senate Minority Leader,
14 Speaker of the House, House Minority Leader, the respective
15 Chairmen and Minority Spokesmen of the Appropriations
16 Committees of the Senate and the House, on or before November
17 30, a report that shall document by program or service
18 category those expenditures from the most recently completed
19 fiscal year used to pay for (i) services provided in prior
20 fiscal years and (ii) services for which claims were received
21 in prior fiscal years.

22 (f) The Department of Human Services (as successor to
23 the Department of Public Aid) shall annually submit to the
24 State Comptroller, Senate President, Senate Minority Leader,
25 Speaker of the House, House Minority Leader, and the
26 respective Chairmen and Minority Spokesmen of the
27 Appropriations Committees of the Senate and the House, on or
28 before December 31, a report of fiscal year funds used to pay
29 for services (other than medical care) provided in any prior
30 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 (g) In addition, each annual report required to be

1 submitted by the Department of Public Aid under subsection
2 (e) shall include the following information with respect to
3 the State's Medicaid program:

4 (1) Explanations of the exact causes of the
5 variance between the previous year's estimated and actual
6 liabilities.

7 (2) Factors affecting the Department of Public
8 Aid's liabilities, including but not limited to numbers
9 of aid recipients, levels of medical service utilization
10 by aid recipients, and inflation in the cost of medical
11 services.

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

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

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

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

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

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

33 User agencies are authorized to reimburse internal service
34 funds for catch-up billings by vouchers drawn against their

1 respective appropriations for the fiscal year in which the
2 catch-up billing was issued.

3 (Source: P.A. 89-235, eff. 8-4-95; 89-507, eff. 7-1-97;
4 89-511, eff. 1-1-97; 90-14, eff. 7-1-97; 90-168, eff.
5 7-23-97.)

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