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COUNTIES:
Authority of County Board to Impose
Line-Item Budgetary Constraints

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Gentlemen:

I have your respective letters wherein you inquire regarding the extent of the authority of a county board to impose line-item budget constraints upon certain county officers and to limit expenditures to the purposes and the amounts specified in such line items. State's Attorney Olson has specifically stated as follows:

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" * * *

The budgetary system established by the [Morgan County Board] requires [the State's Attorney, county clerk, sheriff and treasurer] to be appropriated specific amounts for each particular material or service provided by [these] offices. * * * The problem we face with this procedure is that if we go over an appropriated amount per item, we cannot transfer between items of a same classification, e.g., materials, without the consent of the board. * * *

* * *

State's Attorney Power has described the circumstances in Kankakee County as follows:

"* * * The County Officials feel that the only limitation placed upon them is on the bottom line of the appropriations for the total office's expenditures. The Chairman of the County Board and several members of the County Board feel that the limitation lies within each line-item and that once the line-item amount is expended (even though the official is under budget when considered as a total) [the officer] can no longer make expenditures which would affect that line-item.

* * *

For the reasons hereinafter stated, it is my opinion that the county board's budgetary power and authority is limited to the appropriation of aggregate or lump-sum dollar amounts for the necessary equipment, materials, and services required by the State's Attorney, county clerk, county treasurer, sheriff, clerk of the circuit court, and, effective July 1, 1984, the coroner. Furthermore, the county board may not limit

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the expenditures of an officer within one of the three delineated classifications as long as the amount of the appropriation for the classification has not been exceeded.

It is well established that a county, acting through the county board (Ill. Rev. Stat. 1981, ch. 34, par. 302), can exercise only those powers expressly delegated by article VII, section 7 of the 1970 Illinois Constitution or by the General Assembly or those powers which arise by necessary implication therefrom. (Heidenreich v. Ronske (1962), 26 Ill. 2d 360, 362; Bruer v. Livingston County Board of Zoning Appeals (1978), 66 Ill. App. 3d 938, 941.) The General Assembly has conferred upon county boards certain powers regarding county fiscal, financial and budgetary management. For example, section 25.02 of "AN ACT to revise the law in relation to counties" (Ill. Rev. Stat. 1981, ch. 34, par. 403) provides that the county board has the power "to manage the county funds and county business". Section 24 of the same Act (Ill. Rev. Stat. 1982 Supp., ch. 34, par. 303) provides in part as follows:

"Each county shall have power * * *

* * *

Sixteenth--To install an adequate system of accounts and financial records in the offices and divisions of the county, suitable to the needs of the office and in accordance with generally accepted principles of accounting for governmental bodies, which system may include such reports as the county board may determine.

* * *

(Emphasis added.)

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The above-cited statutes are supplemented by "AN ACT in relation to the budgets of counties, etc." (Ill. Rev. Stat. 1981, ch. 34, par. 2101 et seq.), section 1 of which provides as follows:

"In all counties not required by law to pass an annual appropriation bill within the first quarter of the fiscal year, the board of supervisors or board of county commissioners, as the case may be, shall adopt each year an annual budget under the terms of this Act for the succeeding fiscal year. Such budget shall be prepared by some person or persons designated by the county board and such budget shall be made conveniently available to public inspection for at least fifteen days prior to final action thereon. The vote on such budget shall be taken by ayes and nays and entered on the record of the meeting. The annual budget adopted under this Act shall cover such a fiscal period of one year to be determined by the county board of each county except as hereinafter provided and all appropriations made therein shall terminate with the close of said fiscal period except as hereinafter provided, provided, however, that any remaining balances shall be available until thirty (30) days after the close of such fiscal year only for the authorization of the payment of obligations incurred prior to the close of said fiscal period. Any county which determines to change its fiscal year may adopt a budget to cover such period greater or less than a year as may be necessary to effect such change and appropriations made therein shall terminate with the close of such period.

* * *

Section 2 of "AN ACT in relation to the budgets of counties, etc." (Ill. Rev. Stat. 1981, ch. 34, par. 2102) requires that the annual budget must contain, inter alia:

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" * * *

(d) A detailed statement showing estimates of expenditures for the current fiscal year, revised to the date of such estimate, and, separately, the proposed expenditures for the ensuing fiscal year for which the budget is prepared. Said revised estimates and proposed expenditures shall show the amounts for current expenses and capital outlay, shall specify the several objects and purposes of each item of current expenses, and shall include for each of said years all floating indebtedness as of the beginning of the year, the amount of funded debt maturing during the year, the interest accruing on both floating and funded debt, and all charges fixed or imposed upon counties by law.

(e) A schedule of proposed appropriations itemized as provided for proposed expenditures included in the schedule prepared in accordance with the provisions of paragraph (d) hereof, as approved by the board of supervisors or the board of county commissioners. Said schedule, when adopted in the manner set forth herein, shall be known as the annual appropriation ordinance. An amount not exceeding five per cent of the total may be appropriated for contingent, incidental, miscellaneous, or general county purposes, but no part of the amounts so appropriated shall be used for purposes for which other appropriations are made in such budget unless a transfer of funds is made as authorized by this Act.

* * *

(Emphasis added.)

The aforementioned statutes grant the county board the power to determine the amount of county funds which are to be expended and the purpose for which the funds are to be expended. However, this power is not absolute and unlimited; the power to manage the county funds and the county business is

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limited to that which is not otherwise specifically provided for by law and must be exercised in accordance with other statutory provisions. (Locke v. Davison (1884), 111 Ill. 19, 25.) As will be discussed below, other statutory provisions operate to restrict the county board's power in the budgetary process.

The General Assembly has conferred upon the State's Attorney, the county clerk, the county treasurer, the sheriff, the clerk of the circuit court, and, effective July 1, 1984, the coroner the power to control the internal operations of their respective offices. An example of such an internal control statute is section 5a of "AN ACT in regard to attorneys general and state's attorneys" (Ill. Rev. Stat. 1981, ch. 14, par. 5a), which provides, in pertinent part, as follows:

"The State's Attorney shall control the internal operations of his office and procure the necessary equipment, materials and services to perform the duties of his office.

* * *

"

The other internal control statutes are found at sections 9, 18, 19, 20 and 27.3 of "AN ACT to revise the law in relation to clerks of courts" (Ill. Rev. Stat. 1981, ch. 25, pars. 9, 18, 19, 20, 27.3), section 1.2b of "AN ACT to revise the law in relation to county clerks" (Ill. Rev. Stat. 1981, ch. 35, par. 1.2b), sections 4.1 and 4.4 of "AN ACT to revise the law in

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relation to county treasurer" (Ill. Rev. Stat. 1981, ch. 36, pars. 4.1, 4.4), section 14a of "AN ACT to revise the law in relation to sheriffs" (Ill. Rev. Stat. 1981, ch. 125, par. 14a), and Public Act 83-1009, effective July 1, 1984, which adds section 1.2 to "AN ACT to revise the law in relation to coroners" (Ill. Rev. Stat. 1981, ch. 31, par. 1 et seq.).

In construing the internal control statute pertaining to the county treasurer, Attorney General Scott, in opinion No. S-426, issued March 14, 1972 (1972 Ill. Att'y Gen. Op. 53), advised that the statute proscribes the county board from itemizing the salaries of the individual employees of the county treasurer. Noting that the intent of the General Assembly was to grant broad powers to the county treasurer with regard to the management and control of the personnel in his office, Attorney General Scott advised that the county board was limited in the budgeting process to appropriating a lump sum amount for personal services.

Additionally, in opinion No. NP-581, issued May 3, 1973, Attorney General Scott advised that the internal control statutes prohibited the county board from requiring certain county officers to make purchases for their respective offices through a system of competitive bidding; and in opinion No. S-1260, issued June 23, 1977 (1977 Ill. Att'y Gen. Op. 93), it was determined that, because of the county clerk's internal

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control over his or her office, a county board could not regulate, control, or decide the particular items of equipment and materials a county clerk purchases for his or her office. Furthermore, those officers granted power over the internal control of their offices are not required to make their purchases through a county purchasing department. See opinion No. S-1329, issued January 19, 1978 (1978 Ill. Att'y Gen. Op. 53).

The aforementioned opinions clearly indicate that, while the county board has the power to determine the amount of county funds that may be expended, the county board cannot use its financial and budgetary powers to regulate, control, or otherwise interfere in the internal operations of the various county offices.

Similarly, the General Assembly has imposed upon the county boards the duty to fund the county offices. Section 26 of "AN ACT to revise the law in relation to counties" (Ill. Rev. Stat. 1981, ch. 34, par. 432) provides in part:

"It shall be the duty of the county board of each county:

* * *

Third--To provide reasonable and necessary expenses for the use of the county board, county clerk, county treasurer, recorder, sheriff, coroner, State's attorney, superintendent of schools, judges and clerks of courts, and supervisor of assessment.

* * *

(Emphasis added.)

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In Kotche v. County Board of Winnebago County (1980), 87 Ill. App. 3d 1127, 1131, the court held that the phrase "for the use of" as used in the above-quoted statute indicates that the various officers possess the authority to use the provided funds for the internal operations of their respective offices and that county boards' power is restricted to the appropriation of the necessary funds. In this case, the clerk of the circuit court alleged that the county board refused to pay salaries to employees of the clerk's office in the amounts requested by the clerk even though the requested amounts were within his budget for personal services. The clerk also alleged that the board "persisted in controlling the hiring and firing and the conditions of employment" of the clerk's employees. The court held:

" * * *

* * * Section 27.3 of the clerks of courts act (Ill. Rev. Stat. 1977, ch. 25, par. 27.3) gives the [county] board the authority to appropriate funds for clerk hire, but does not empower the board to control the hiring, firing, promotion, or compensation of the deputy clerks hired by the clerk of the circuit court pursuant to statute. * * *

* * * [T]he board must refrain from interfering in the conditions of employment of the clerk's employees. * * *

* * *

In Heller v. County Board of Jackson County (1979), 71 Ill. App. 3d 31, the court held that the office of supervisor

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of assessments is to operate free from interference in the hiring of employees and in determining the level of their classification even though there is no statute directly granting the internal control of the supervisor's office to the supervisor.

It is well established that the budgetary and other powers of county boards do not authorize a county board to manage the day-to-day operations of any county office. It is, therefore, my opinion that the internal control statutes outlined above limit the authority of a county board to control, by itemized appropriations, specific expenditures in the offices of the enumerated county officers. The county board's budgetary authority is limited to the appropriation of aggregate or lump-sum dollar amounts for the items delineated in such statutes, namely, necessary equipment, materials and services. It naturally follows that, since the county board may not impose line-item budgetary constraints other than in the three classifications I have listed above, the county board has no power to restrict the county officer in the use of the budgeted amounts within a general classification, provided, of course, that any expenditure is within the amount of the appropriation.

As stated above, section 24 of "AN ACT to revise the law in relation to counties" (Ill. Rev. Stat. 1982 Supp., ch.

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34, par. 303) confers upon county boards the power to establish a system of accounting and financial reporting in the county offices in accordance with generally accepted accounting principles for government bodies. The Municipal Finance Officers Association of the United States and Canada has stated that current expenditures (expenditures which benefit the current fiscal period) should not be excessively detailed since such procedures complicate the accounting process and are of limited use in financial management. The Association states:

" * * *

* * * Use of few object classifications is sufficient since budget preparation and control emphasis should be on organization units, functions (or programs), and activities rather than on objects of expenditure per se.

* * *

(Municipal Finance Officers Association of the United States and Canada, Governmental Accounting, Auditing, and Financial Reporting, Appendix C, p. 87.) "

Accordingly, the Municipal Finance Officers Association of the United States and Canada has recommended that current expenditures be classified in a manner that is substantially identical to the classifications required by the internal control statutes. See Municipal Finance Officers Association of the United States and Canada, Governmental Accounting, Auditing, and Financial Reporting, Appendix C, p. 97.

As you know, the courts have held that local governments have a duty to itemize their budgets. Itemization is

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required to enable taxpayers to know how tax dollars are used and to prevent expenditures for a different purpose than the one designated in the appropriation. (See People ex rel. Brenza v. Gilber (1951), 409 Ill. 29, 39; People ex rel. Gill v. Sweitzer (1937), 366 Ill. 568, 576.) The courts have not, however, required that budgets and appropriation ordinances itemize and detail every specific purpose. Rather, a single sum for several purposes within a general designation is sufficient to provide the taxpayers with the necessary information. (People ex rel. Harrell v. Baltimore and Ohio R.Co. (1952), 411 Ill. 55, 57-8; Continental Illinois National Bank and Trust Co. v. Village of Park Forest (1972), 4 Ill. App. 3d 811, 819-20.) As the court held in People ex rel. Sweet v. Central Illinois Public Service Co. (1971), 48 Ill. 2d 145, 149:

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* * *

* * * [S]pecification of each particular item of expense for which a levy is made is not required. A single general purpose is sufficient to include every appropriate expenditure required, although there be many items. (Also see: People ex rel. Lindheimer v. Hamilton, 373 Ill. 124, 130, 131; People ex rel. Schaefer v. New York, Chicago and St. Louis Railroad Co., 353 Ill. 518, 520, 521.) This is especially true where it is difficult to determine, in advance, the exact amount of the various items. Itemization requirements must be accorded a common-sense construction. People ex rel. Toman v. Estate of Otis, 376 Ill. 112, 117.

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The appropriation of aggregate or lump sum dollar amounts for equipment, materials, and services clearly falls within these guidelines.

Therefore, it is my opinion that a county board is limited to the appropriation of aggregate or lump-sum dollar amounts for the necessary equipment, materials, and services required by the State's Attorney, clerk of the circuit court, county clerk, county treasurer, sheriff, and, effective July 1, 1984, the coroner.

Very truly yours,



A T T O R N E Y G E N E R A L