AN ACT concerning State government.

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

ARTICLE 1. EMERGENCY BUDGET ACT OF FISCAL YEAR 2011

Section 1-1. Short title. This Act may be cited as the Emergency Budget Act of Fiscal Year 2011. References in this Article to "this Act" mean this Article.

Section 1-5. Legislative intent and purpose. The General Assembly hereby finds and declares that the State is confronted with an unprecedented fiscal crisis. It is the purpose of this Act to authorize changes in State programs that are necessary to implement the State fiscal year 2011 budget. It is also the purpose of this Act to implement budget measures that prioritize the payment of vouchers that (i) were submitted to the State Comptroller prior to July 1, 2010 and (ii) are at least 60 days past due on the effective date of this Act. This Act is to be liberally construed and interpreted in a manner that allows the State to address the fiscal crisis for the State fiscal year 2011.

Section 1-10. Designation of contingency reserve. Beginning on July 1, 2010 and until January 9, 2011, the

Governor may designate amounts to be set aside as a contingency reserve from the amounts appropriated from the General Revenue Fund, the Common School Fund, the Education Assistance Fund, and any special fund of the State for State fiscal year 2011 for all boards, commissions, agencies, institutions, authorities, colleges, universities, and bodies politic and corporate of the State, but not other constitutional officers, the legislative or judicial branch, the office of the Executive Inspector General, or the Executive Ethics Commission. The total contingency reserve may not exceed one-third of the sum of (i) the total dollar amount of vouchers that have been submitted to the State Comptroller for payment but for which warrants have not been issued by the Comptroller as of July 1, 2010 and (ii) the total dollar amount of any fiscal year 2010 mandated statutory transfers that have not been executed as of July 1, 2010. The State Comptroller shall certify the total dollar amount of those outstanding vouchers and transfers to the Governor on or before July 8, 2010.

Section 1-15. Contingency reserve restrictions. Until January 9, 2011, the amounts placed in contingency reserve shall not be transferred, obligated, encumbered, expended, or otherwise committed unless the Governor authorizes the removal of the amounts from the contingency reserve or the State, by an Act of the 96th General Assembly, generates incremental revenues sufficient to support such transfers, obligations, encumbrances, expenditures, or other commitments.

Section 1-20. All State programs subject to appropriation. Notwithstanding any other Act to the contrary, during State fiscal year 2011, any expenditure from State funds authorized or required by any State law are made subject to appropriation through January 9, 2011 of that fiscal year. No moneys shall be obligated or expended during that time unless they are supported by available State fiscal year 2011 appropriations that are not otherwise obligated or reserved pursuant to Section 1-10 of this Act. The provisions of this Section do not apply to non-appropriated funds, non-appropriated accounts, locally held funds, or appropriations with continuing authority.

Section 1-25. State agencies; review of contracts. As soon as possible after the effective date of this Act, each State agency of the executive branch shall review each of its existing contracts. Those State agencies shall seek to modify or terminate and re-bid those contracts if, upon review of the contract, the agency determines that it is in the best interest of the State to do so. For the purposes of this Section, "contract" has the meaning ascribed to that term in the Illinois Procurement Code.

Section 1-35. Act takes precedence. In case of any conflict between the provisions of this Act and any other law, executive order, or administrative regulation, the provisions of this Act prevail and control.

Section 1-90. Repealer. This Act is repealed on July 1, 2011.

ARTICLE 3. RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY ACT

Section 3-1. Short title. This Act may be cited as the Railsplitter Tobacco Settlement Authority Act. References in the Article to "this Act" mean this Article.

Section 3-2. Definitions. In this Act words or terms shall have the following meanings unless the context or usage clearly indicates that another meaning is intended.

(a) "Authority" means the Railsplitter Tobacco Settlement Authority created and established pursuant to Section 3-4 of this Act.

(b) "Authorized officer" means any of the members of the Authority identified and described in Section 3-4 of this Act.

(c) "Bond" means any instrument evidencing the obligation to pay money authorized or issued by or on behalf of the Authority pursuant to the authorization granted by this Act, including without limitation, bonds, notes, or certificates.

(d) "Bondholder" means, in the case of a bond issued in registered form, the registered owner of the bond and otherwise, the owner of the bond.

(e) "Budget Director" means the Director of the Governor's Office of Management and Budget.

(f) "Consent Decree" means the Consent Decree and Final Judgment of the Circuit Court of Cook County, Illinois, dated December 8, 1998, as the same has been and may be corrected, amended or modified, in the action entitled People of the State of Illinois v. Philip Morris Incorporated, et al. (No. 96 L 13146).

(g) "Master Settlement Agreement" means the Master Settlement Agreement, dated November 23, 1998, among the attorneys general of 46 states, including the State of Illinois, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa and the Territory of the Northern Mariana Islands, on the one hand, and certain tobacco manufacturers, on the other hand, and the subject of the Consent Decree.

(h) "Master Settlement Escrow Agent" means the escrow agent under the Master Settlement Agreement.

(i) "Net proceeds of bonds" means the gross proceeds of the sale of bonds issued under Section 3-6 of this Act, less any amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, and to fund any reserves deemed necessary or appropriate by the Authority, but does not include any investment earnings realized thereon.

(j) "Participating manufacturer" means a tobacco product manufacturer that is or becomes a signatory to the Master Settlement Agreement.

(k) "Pledged tobacco revenues" means the State's tobacco settlement revenues sold to the Authority pursuant to the sale agreement and pledged by the Authority for the payment of bonds and any related bond facility.

(l) "Qualifying statute" has the meaning given that term in the Master Settlement Agreement, constituting the Tobacco Product Manufacturers' Escrow Act.

(m) "Related bond facility" means any interest rate exchange or similar agreement or any bond insurance policy, letter of credit or other credit enhancement facility, liquidity facility, guaranteed investment or reinvestment agreement, or other similar agreement, arrangement or contract.

(n) "Residual interest in tobacco settlement revenues" means any tobacco settlement revenues determined as moneys are received, to be not required for the identified period in which revenues are received, to pay principal or interest on bonds or administrative or transaction expenses of the Authority or to fund reserves or other requirements relating to bonds issued or related bond facilities made under this Act.

(o) "Sale agreement" means any agreement authorized pursuant to this Act in which the State provides for the sale of all or a portion of the tobacco settlement revenues to the Authority.

(p) "State" means the State of Illinois.

(q) "State Finance Act" means the State Finance Act of the State, as amended (30 ILCS 105/1 et seq.).

(r) "Tobacco settlement bond proceeds account" means the Account by that name within the Tobacco Settlement Recovery Fund established under Section 6z-43(a) of the State Finance Act.

(s) "Tobacco Settlement Residual Account" means the Account by that name within the Tobacco Settlement Recovery Fund established under Section 6z-43(a) of the State Finance Act.

(t) "Tobacco settlement revenues" means all tobacco settlement payments received by the State on and after the effective date of this Act and required to be made, pursuant to the terms of the Master Settlement Agreement, by participating manufacturers and the State's rights to receive the tobacco settlement payments on and after the effective date of this Act, exclusive of any payments made with respect to liability to make those payments for calendar years completed before the effective date of this Act.

Section 3-3. Transfer and sale of State's right to tobacco settlement revenues. During fiscal years 2010 and 2011, the State may sell, convey, or otherwise transfer to the Authority the tobacco settlement revenues in exchange for the net proceeds of bonds and a right to the residual interest in tobacco settlement revenues. Unless otherwise directed by statute, the net proceeds of bonds shall be deposited in the Tobacco Settlement Bond Proceeds Account, and the residual interest in tobacco settlement revenues received by the State from time to time shall be deposited in the Tobacco Settlement Residual Account, in each case to be applied for the purposes and in the manner described in this Act and in Section 6z-43 of the State Finance Act.

Any sale, conveyance, or other transfer authorized by this Section shall be evidenced by an instrument or agreement in writing signed on behalf of the State by the Governor. A certified copy of the instrument or agreement shall be filed with the Governor, Comptroller, Treasurer, Budget Director, Speaker and Minority Leader of the House of Representatives, President and Minority Leader of the Senate, and the Commission on Government Forecasting and Accountability promptly upon execution and delivery thereof. The instrument or agreement may include an irrevocable direction to the Master Settlement Escrow Agent to pay all or a specified portion of the tobacco settlement revenues directly to or upon the order of the Authority, or to any escrow agent or any trustee under an indenture or other agreement securing any bonds issued or related bond facilities made under this Act. Upon execution and delivery of the sale agreement as provided in this Act, the sale, conveyance, or other transfer of the right to receive the tobacco settlement revenues, shall, for all purposes, be a true sale and absolute conveyance of all right, title, and interest therein and not as a pledge or other security interest for any borrowing, valid, binding, and enforceable in accordance with the terms thereof and such instrument or agreements and any related instrument, agreement, or other arrangement, including any pledge, grant of security interest, or other encumbrance made by Authority to secure any bonds issued by the Authority, and shall not be subject to disavowal, disaffirmance, cancellation, or avoidance by reason of insolvency of any party, lack of consideration, or any other fact, occurrence, or rule of law. On and after the effective date of the sale of any portion (including all) of the tobacco settlement revenues, the State shall have no right, title or interest in or to the portion of the tobacco settlement revenues sold, and the portion of the tobacco settlement revenues so sold shall be the property of the Authority, and shall be received, held and disbursed by the Authority in a trust fund outside the State treasury. Any portions of the tobacco settlement revenues sold and held in trust shall be invested in accordance with the Public Funds Investment Act.

The State may not transfer any right to those amounts received by the State which were deposited into the Disputed Payments Account or withheld in accordance with Section XI(f)(2) of the Master Settlement Agreement prior to the closing of any bonds issued pursuant to this Act.

The procedures and requirements set forth in this Section shall be the sole procedures and requirements applicable to the sale of the tobacco settlement revenues.

Section 3-4. Establishment and Powers of Authority. The Authority is hereby established as a special purpose corporation which shall be body corporate and politic of, but having a legal existence independent and separate from, the State and, accordingly, the assets, liabilities, and funds of the Authority shall be neither consolidated nor commingled with those of the State treasury. The Authority and its corporate existence shall continue until 6 months after all its liabilities have been met or otherwise discharged. Upon the termination of the existence of the Authority, all of its rights and property shall pass to and be vested in the State. The Authority shall be established for the express limited public purposes set forth in this Act, and no part of the net earnings of the Authority shall inure to any private individual.

The Authority shall be governed by a 3-member board consisting of the Budget Director and two other members appointed by the Governor. The powers of the Authority shall be subject to the terms, conditions, and limitations contained within this Act, and any applicable covenants or agreements of the Authority in any indenture or other agreement relating to any then outstanding bonds or related bond facilities. The Authority may enter into contracts regarding any matter connected with any corporate purpose within the objects and purposes of this Act. The members of the Authority and the Chief Financial Officer of the Authority shall receive no salary or other compensation, either direct or indirect, for serving as members of the Authority, other than reimbursement for actual and necessary expenses incurred in the performance of such person's duties. The Authority may elect one of its members as chairman, who shall sign instruments or agreements authorized by this Act on behalf of the Authority. The Authority may also appoint a Chief Financial Officer of the Authority who may or may not be a member of the Authority in order to provide financial analysis and advice regarding any transaction of the Authority. Notwithstanding the foregoing, the Authority shall not be authorized to make any covenant, pledge, promise or agreement purporting to bind the State with respect to tobacco settlement revenues, except as otherwise specifically authorized by this Act.

The Authority may not file a voluntary petition under or be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or State bankruptcy, insolvency, or moratorium law or statute as may, from time to time, be in effect and neither any public officer nor any organization, entity, or other person shall authorize the Authority to be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or State bankruptcy, insolvency, or moratorium law or statute, as may, from time to time be in effect.

The Authority may not guarantee the debts of another.

Section 3-5. Certain powers of the Authority. The Authority shall have the power to:

(1) sue and be sued;

(2) have a seal and alter the same at pleasure;

(3) make and alter by-laws for its organization and internal management and make rules and regulations governing the use of its property and facilities;

(4) appoint by and with the consent of the Attorney General, assistant attorneys for such Authority; those assistant attorneys shall be under the control, direction, and supervision of the Attorney General and shall serve at his or her pleasure;

(5) retain special counsel, subject to the approval of the Attorney General, as needed from time to time, and fix their compensation, provided however, such special counsel shall be subject to the control, direction and supervision of the Attorney General and shall serve at his or her pleasure;

(6) make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this Section and to commence any action to protect or enforce any right conferred upon it by any law,

contract, or other agreement, provided that any underwriter, financial advisor, bond counsel, or other professional providing services to the Authority may be selected pursuant to solicitations issued and completed by the Governor's Office of Management and Budget for those services;

(7) appoint officers and agents, prescribe their duties and qualifications, fix their compensation and engage the services of private consultants and counsel on a contract basis for rendering professional and technical assistance and advice, provided that this shall not be construed to limit the authority of the Attorney General provided in Section 4 of the Attorney General Act;

(8) pay its operating expenses and its financing costs, including its reasonable costs of issuance and sale and those of the Attorney General, if any, in a total amount not greater than 1% of the principal amount of the proceeds of the bond sale;

(9) borrow money in its name and issue negotiable bonds and provide for the rights of the holders thereof as otherwise provided in this Act;

(10) procure insurance against any loss in connection with its activities, properties, and assets in such amount and from such insurers as it deems desirable;

(11) invest any funds or other moneys under its custody and control in investment securities or under any related bond facility;

(12) as security for the payment of the principal of and interest on any bonds issued by it pursuant to this Act and any agreement made in connection therewith and for its obligations under any related bond facility, pledge all or any part of the tobacco settlement revenues;

(13) do any and all things necessary or convenient to carry out its purposes and exercise the powers expressly given and granted in this Section.

Section 3-6. Bonds of the Authority.

(a) The Authority shall have power and is hereby authorized to issue bonds, in an amount no greater than $1,750,000,000, to provide sufficient funds for the purchase of all or a portion of the tobacco settlement revenues pursuant to Section 3-3 of this Act and the payment or provision for financing costs.

The issuance of bonds shall be authorized by a resolution of the Authority, adopted by a majority of the members of the Authority without further authorization or approval. The issue of the bonds of the Authority shall be special revenue obligations payable from and secured by a pledge of the pledged tobacco revenues, those proceeds of such bonds deposited in a reserve fund for the benefit of bondholders, and earnings on funds of the Authority, upon such terms and conditions as specified by the Authority in the resolution under which the bonds are issued or in a related trust indenture.

The Authority shall have the power and is hereby authorized from time to time to issue bonds, whenever it deems refunding expedient, to refund any outstanding bonds by the issuance of new bonds, provided that the refunding debt matures within the term of the bonds to be refunded. The refunding bonds may be exchanged for the bonds to be refunded or sold and the proceeds applied to the purchase, redemption, or payment of such bonds.

(b) The bonds of each issue shall be dated, shall bear interest (which may be includable in or excludable from the gross income of the owners for federal income tax purposes) at such fixed or variable rates, payable at or prior to maturity, and shall mature at such time or times, not more than 19 years after the date of issuance, as may be determined by the Authority and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority. The principal and interest of such bonds may be made payable in any lawful medium. The resolution or the certificate of the officer of the Authority approving the issuance of the bonds shall determine the form of the bonds and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or outside the State. If any officer whose signature or a facsimile thereof appears on any bonds shall cease to be such officer before the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

(c) The Authority may sell such bonds pursuant to notice of sale and public bid or by negotiated sale in accordance with the corresponding procedures applicable to like sales of general obligation bonds under Section 11 of the General Obligation Bond Act. The proceeds of such bonds shall be disbursed for the purposes for which such bonds were issued under such restrictions as the sale agreement and the resolution authorizing the issuance of such bonds or the related trust indenture may provide. Such bonds shall be issued upon approval of the Authority and without any other approvals, filings, proceedings or the happening of any other conditions or things other than the approvals, findings, proceedings, conditions, and things that are specified and required by this Act.

(d) Any pledge made by the Authority shall be valid and binding at the time the pledge is made. The assets, property, revenues, reserves, or earnings so pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether such parties have notice thereof. Notwithstanding any other provision of law to the contrary, neither the resolution nor any indenture or other instrument by which a pledge is created or by which the Authority's interest in pledged assets, property, revenues, reserves, or earnings thereon is assigned need be filed, perfected or recorded in any public records in order to protect the pledge thereof or perfect the lien thereof as against third parties, except that a copy thereof shall be filed in the records of the Authority.

(e) Whether or not the bonds of the Authority are of such form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, the bonds are hereby made negotiable instruments for all purposes, subject only to the provisions of the bonds for registration.

(f) At the sole discretion of the Authority, any bonds issued by the Authority and any related bond facility made under the provisions of this Act shall be secured by a resolution or trust indenture by and between the Authority and the indenture trustee, which may be any trust company or bank having the powers of a trust company, whether located within or outside the State. Such trust indenture or resolution providing for the issuance of such bonds shall, without limitation, (i) provide for the creation and maintenance of such reserves as the Authority shall determine to be proper; (ii) include covenants setting forth the duties of the Authority in relation to the bonds, the income of the Authority, the related sale agreement and the related tobacco settlement revenues; (iii) contain provisions relating to the prompt transfer of the residual interest upon receipt of the tobacco settlement revenues; (iv) contain provisions respecting the custody, safeguarding, and application of all moneys and securities; (v) contain such provisions for protecting and enforcing against the Authority or the State the rights and remedies (pursuant thereto and to the sale agreement) of the owners of the bonds and any provider of a related bond facility as may be reasonable and proper and not in violation of law; and (vi) contain such other provisions as the Authority may deem reasonable and proper for priorities and subordination among the owners of the bonds and providers of related bond facilities. Any reference in this Act to a resolution of the Authority shall include any trust indenture authorized thereby.

(g) The net proceeds of bonds and any earnings thereon shall never be pledged to, nor made available for, payment of the bonds or any interest or redemption price thereon or any other debt or obligation of the Authority. The net proceeds of bonds shall be deposited by the State in the Tobacco Settlement Bond Proceeds Account, and shall be used by the State (either directly or by reimbursement) for the payment of outstanding obligations of the General Revenue Fund or to supplement the Tobacco Settlement Residual Account to pay for appropriated obligations of the Tobacco Settlement Recovery Fund for State fiscal year 2011 through 2013. Any residual interest in tobacco settlement revenues shall be deposited in the Tobacco

Settlement Residual Account, and shall be used by the State (either directly or by reimbursement) in accordance with Section 6z-43 of the State Finance Act for appropriated obligations of the Tobacco Settlement Recovery Fund. With respect to any bonds of the Authority, the interest on which is intended to be excludable from the gross income of the owners for federal income tax purposes, the Authority and the authorized officers may provide restrictions on the use of net proceeds of bonds and other amounts in the sale agreement or otherwise in a tax regulatory agreement only as necessary to assure such tax-exempt status.

(h) The Authority may enter into, amend, or terminate, as it determines to be necessary or appropriate, any related bond facility (i) to facilitate the issuance, sale, resale, purchase, repurchase, or payment of bonds, interest rate savings or market diversification, or the making or performance of swap contracts, including without limitation bond insurance, letters of credit and liquidity facilities, or (ii) to attempt to manage or hedge risk or achieve a desirable effective interest rate or cash flow. Such facility shall be made upon the terms and conditions established by the Authority, including without limitation provisions as to security, default, termination, payment, remedy, jurisdiction and consent to service of process.

(i) The Authority may enter into, amend, or terminate, as it deems to be necessary or appropriate, any related bond facility to place the obligations or investments of the Authority, as represented by the bonds or the investment of reserves securing the bonds or related bond facilities or other tobacco settlement revenues or its other assets, in whole or in part, on the interest rate, cash flow, or other basis approved by the Authority, which facility may include without limitation contracts commonly known as interest rate swap agreements, forward purchase contracts, or guaranteed investment contracts and futures or contracts providing for payments based on levels of, or changes in, interest rates. These contracts or arrangements may be entered into by the Authority in connection with, or incidental to, entering into, or maintaining any (i) agreement which secures bonds of the Authority or (ii) investment or contract providing for investment of reserves or similar facility guaranteeing an investment rate for a period of years not to exceed the underlying term of the bonds. The determination by the Authority that a related bond facility or the amendment or termination thereof is necessary or appropriate as aforesaid shall be conclusive. Any related bond facility may contain such provisions as to security, default, termination, payment, remedy, jurisdiction, and consent to service of process and other terms and conditions as determined by the Authority, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and any other criteria as may be appropriate.

(j) Bonds or any related bond facility may contain a recital that they are issued or executed, respectively, pursuant to this Act, which recital shall be conclusive evidence of their validity, respectively, and the regularity of the proceedings relating thereto.

Section 3-7. State not liable on bonds or related bond facilities. No bond or related bond facility shall constitute an indebtedness or an obligation of the State of Illinois or any subdivision thereof, within the purview of any constitutional or statutory limitation or provision or a charge against the general credit or taxing powers, if any, of any of them but shall be payable solely from pledged tobacco revenues. No owner of any bond or provider of any related bond facility shall have the right to compel the exercise of the taxing power of the State to pay any principal installment of, redemption premium, if any, or interest on the bonds or to make any payment due under any related bond facility.

Section 3-8. Agreement with the State.

(a) The State pledges and agrees with the Authority, and the owners of the bonds of the Authority in which the Authority has included such pledge and agreement, that the State shall (i) irrevocably direct the escrow agent under the Master Settlement Agreement to transfer all pledged tobacco revenues directly to the Authority or its assignee, (ii) enforce its right to collect all moneys due from the participating manufacturers under the Master Settlement Agreement and, in addition, shall diligently enforce the qualifying statute as contemplated in Section IX(d)(2)(B) of the Master Settlement Agreement against all nonparticipating manufacturers selling tobacco products in the State and that are not in compliance with the qualifying statute, in each case in the manner and to the extent deemed necessary in the judgment of and consistent with the discretion of the Attorney General of the State, provided, however, that the sale agreement shall provide (a) that the remedies available to the Authority and the bondholders for any breach of the pledges and agreements of the State set forth in this clause shall be limited to injunctive relief, and (b) that the State shall be deemed to have diligently enforced the qualifying statute so long as there has been no judicial determination by a court of competent jurisdiction in this State, in an action commenced by a participating tobacco manufacturer under the Master Settlement Agreement, that the State has failed to diligently enforce the qualifying statute for the purposes of Section IX(d)(2)(B) of the Master Settlement Agreement, (iii) in any materially adverse way, neither amend the Master Settlement Agreement nor the Consent Decree or take any other action that would (a) impair the Authority's right to receive pledged tobacco revenues, or (b) limit or alter the rights hereby vested in the Authority to fulfill the terms of its agreements with the bondholders, or (c) impair the rights and remedies of such bondholders or the security for such bonds until such bonds, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of such bondholders, are fully paid and discharged (provided, that nothing herein shall be construed to preclude the State's regulation of smoking, smoking cessation activities and laws, and taxation and regulation of the sale of cigarettes or the like or to restrict the right of the State to amend, modify, repeal, or otherwise alter statutes imposing or relating to the taxes), and (iv) not amend, supersede or repeal the Master Settlement Agreement or the qualifying statute in any way that would materially adversely affect the amount of any payment to, or the rights to such payments of, the Authority or such bondholders. This pledge and agreement may be included in the sale agreement and the Authority may include this pledge and agreement in any contract with the bondholders of the Authority.

(b) The provisions of this Act, the bonds issued pursuant to this Act, and the pledges and agreements by the State and the Authority to the bondholders shall not be interpreted or construed to limit or impair the authority or discretion of the Attorney General to administer and enforce provisions of the Master Settlement Agreement or to direct, control, and settle any litigation or arbitration proceeding arising from or relating to the Master Settlement Agreement.

Section 3-9. Enforcement of contract. The provisions of this Act and of any resolution or proceeding authorizing the issuance of bonds or a related bond facility shall constitute a contract with the holders of the bonds or the related bond facility, and the provisions thereof shall be enforceable either by mandamus or other proceeding in any Illinois court of competent jurisdiction to enforce and compel the performance of all duties required by this Act and by any resolution authorizing the issuance of bonds a related bond facility adopted in response hereto.

Section 3-10. Bonds as legal investments. The State and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds issued pursuant to this Act, it being the purpose of this Section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension, and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this Section may be construed as relieving any person, firm, or corporation from any duty of exercising reasonable care in selecting securities for purchase or investment.

Section 3-12. Exemption from taxation. It is hereby determined that the creation of the Authority and the carrying out of its corporate purposes are in all respects for the benefit of the people of the State and are public purposes. Accordingly, the property of the Authority, its income and its operations shall be exempt from taxation. The Authority shall not be required to pay any fees, taxes or assessments of any kind, whether state or local, including, but not limited to, fees, taxes, ad valorem taxes on real property, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by this Act.

Section 3-13. Illinois State Auditing Act. The Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act.

Section 3-15. Supplemental nature of Act; construction and purpose. The powers conferred by this Act shall be in addition to and supplemental to the powers conferred by any other law, general or special, and may be exercised notwithstanding the provisions of any other such law. Insofar as the provisions of this Act are inconsistent with the provisions of any other law, general or special, the provisions of this Act shall be controlling.

Section 3-16. Severability. If any provision of this Act is held invalid, such provision shall be deemed to be excised and the invalidity thereof shall not affect any of the other provisions of this Act. If the application of any provision of this Act to any person or circumstance is held invalid, it shall not affect the application of such provision to such persons or circumstances other than those as to which it is held invalid.

ARTICLE 5. AMENDATORY PROVISIONS

Section 5-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24 month period, except that this limitation on the number of emergency rules that may be adopted in a 24 month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, ~~or~~ (iv) emergency rules adopted pursuant to subsection (n) of this Section, or (v) emergency rules adopted pursuant to subsection (o) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of this amendatory Act of the 91st General Assembly or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of this amendatory Act of the 91st General Assembly or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of this amendatory Act of the 92nd General Assembly or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of this amendatory Act of the 92nd General Assembly or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of this amendatory

Act of the 93rd General Assembly or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of this amendatory Act of the 94th General Assembly or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of this amendatory Act of the 96th General Assembly or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of this amendatory Act of the 96th General Assembly or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after the effective date of this amendatory Act of the 96th General Assembly through January 9, 2011.

(Source: P.A. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 96-45, eff. 7-15-09.)

Section 5-10. The General Assembly Compensation Act is amended by adding Section 1.6 as follows:

(25 ILCS 115/1.6 new)

Sec. 1.6. FY11 furlough days. During the first 6 months of the fiscal year beginning July 1, 2010, every member of the 96th General Assembly is mandatorily required to forfeit 6 days of compensation. The State Comptroller shall deduct the equivalent of 1/261st of the annual salary of each member of the 96th General Assembly from the compensation of that member in each of the first 6 months of the fiscal year. During the second 6 months of the fiscal year beginning July 1, 2010, every member of the 97th General Assembly is mandatorily required to forfeit 6 days of compensation. The State Comptroller shall deduct the equivalent of 1/261st of the annual salary of each member of the 97th General Assembly from the compensation of that member in each of the second 6 months of the fiscal year. For purposes of this Section, annual compensation includes compensation paid to each member by the State for one year of service pursuant to Section 1, except any payments made for mileage and allowances for travel and meals. The forfeiture required by this Section is not considered a change in salary and shall not impact pension or other benefits provided to members of the General Assembly.

Section 5-15. The State Finance Act is amended by changing Sections 6z-43, 14.1, and 25 and by adding Sections 5h and 14.2 as follows:

(30 ILCS 105/5h new)

Sec. 5h. Cash flow borrowing and general funds liquidity.

(a) In order to meet cash flow deficits and to maintain liquidity in the General Revenue Fund and the Common School Fund, on and after July 1, 2010 and through January 9, 2011, the State Treasurer and the State Comptroller shall make transfers to the General Revenue Fund or the Common School Fund, as directed by the Governor, out of special funds of the State, to the extent allowed by federal law. No transfer may be made from a fund under this Section that would have the effect of reducing the available balance in the fund to an amount less than the amount remaining unexpended and unreserved from the total appropriation from that fund estimated to be expended for that fiscal year. No such transfer may reduce the cumulative balance of all of the special funds of the State to an amount less than the total debt service payable during the 12 months immediately following the date of the transfer on any bonded indebtedness of the State and any certificates issued under the Short Term Borrowing Act. Notwithstanding any other provision of this Section, no such transfer may be made from any special fund that is exclusively collected by or appropriated to any other constitutional officer without the written approval of that constitutional officer.

(b) If moneys have been transferred to the General Revenue Fund or the Common School Fund pursuant to subsection (a) of this Section, this amendatory Act of the 96th General Assembly shall constitute the irrevocable and continuing authority for and direction to the State Treasurer and State Comptroller to reimburse the funds of origin from the General Revenue Fund or the Common School Fund, as appropriate, by transferring to the funds of origin, at such times and in such amounts as directed by the Governor when necessary to support appropriated expenditures from the funds, an amount equal to that transferred from them plus any interest that would have accrued thereon had the transfer not occurred, except that any moneys transferred pursuant to subsection (a) of this Section shall be repaid to the fund of origin within 18 months after the date on which they were borrowed.

(c) On the first day of each quarterly period in each fiscal year, the Governor's Office of Management and Budget shall provide to the President and the Minority Leader of the Senate, the Speaker and the Minority Leader of the House of Representatives, and the Commission on Government Forecasting and Accountability a report on all transfers made pursuant to this Section in the prior quarterly period. The report must be provided in both written and electronic format. The report must include all of the following:

(1) The date each transfer was made.

(2) The amount of each transfer.

(3) In the case of a transfer from the General Revenue Fund or the Common School Fund to a fund of origin pursuant to subsection (b) of this Section, the amount of interest being paid to the fund of origin.

(4) The end of day balance of both the fund of origin

and the General Revenue Fund or the Common School Fund, whichever the case may be, on the date the transfer was made.

(30 ILCS 105/6z-43)

Sec. 6z-43. Tobacco Settlement Recovery Fund.

(a) There is created in the State Treasury a special fund to be known as the Tobacco Settlement Recovery Fund, which shall contain 3 accounts: (i) the General Account, (ii) the Tobacco Settlement Bond Proceeds Account and (iii) the Tobacco Settlement Residual Account. There shall be deposited into the several accounts of the Tobacco Settlement Recovery Fund ~~into which shall be deposited~~ all monies paid to the State pursuant to (1) the Master Settlement Agreement entered in the case of People of the State of Illinois v. Philip Morris, et al. (Circuit Court of Cook County, No. 96-L13146) and (2) any settlement with or judgment against any tobacco product manufacturer other than one participating in the Master Settlement Agreement in satisfaction of any released claim as defined in the Master Settlement Agreement, as well as any other monies as provided by law. Moneys ~~All earnings on Fund investments~~ shall be deposited into the Tobacco Settlement Bond Proceeds Account and the Tobacco Settlement Residual Account as provided by the terms of the Railsplitter Tobacco Settlement Authority Act, provided that an annual amount not less than $2,500,000, subject to appropriation, shall be deposited into the Tobacco Settlement Residual Account for use by the Attorney General for enforcement of the Master Settlement Agreement. All other moneys available to be deposited into the Tobacco Settlement Recovery Fund shall be deposited into the General Account. An investment made from moneys credited to a specific account constitutes part of that account and such account shall be credited with all income from the investment of such moneys. ~~Fund. Upon the creation of the Fund, the State Comptroller shall order the State Treasurer to transfer into the Fund any monies paid to the State as described in item (1) or (2) of this Section before the creation of the Fund plus any interest earned on the investment of those monies.~~ The Treasurer may invest the moneys in the several accounts the Fund in the same manner, in the same types of investments, and subject to the same limitations provided in the Illinois Pension Code for the investment of pension funds other than those established under Article 3 or 4 of the Code. Notwithstanding the foregoing, to the extent necessary to preserve the tax-exempt status of any bonds issued pursuant to the Railsplitter Tobacco Settlement Authority Act, the interest on which is intended to be excludable from the gross income of the owners for federal income tax purposes, moneys on deposit in the Tobacco Settlement Bond Proceeds Account and the Tobacco Settlement Residual Account may be invested in obligations the interest upon which is tax-exempt under the provisions of Section 103 of the Internal Revenue Code of 1986, as now or hereafter amended, or any successor code or provision.

(b) Moneys on deposit in the Tobacco Settlement Bond Proceeds Account and the Tobacco Settlement Residual Account may be expended, subject to appropriation, for the purposes authorized in Section 6(g) of the Railsplitter Tobacco Settlement Authority Act.

(c) ~~(b)~~ As soon as may be practical after June 30, 2001, upon notification from and at the direction of the Governor, the State Comptroller shall direct and the State Treasurer shall transfer the unencumbered balance in the Tobacco Settlement Recovery Fund as of June 30, 2001, as determined by the Governor, into the Budget Stabilization Fund. The Treasurer may invest the moneys in the Budget Stabilization Fund in the same manner, in the same types of investments, and subject to the same limitations provided in the Illinois Pension Code for the investment of pension funds other than those established under Article 3 or 4 of the Code.

~~(c) In addition to any other deposits authorized by law, after any delivery of any bonds as authorized by Section 7.5 of the General Obligation Bond Act for deposits to the General Revenue Fund and the Budget Stabilization Fund (referred to as "tobacco securitization general obligation bonds"), the Governor shall certify, on or before June 30, 2003 and June 30 of each year thereafter, to the State Comptroller and State Treasurer the total amount of principal of, interest on, and premium, if any, due on those bonds in the next fiscal year~~

~~beginning with amounts due in fiscal year 2004. As soon as practical after the annual payment of tobacco settlement moneys to the Tobacco Settlement Recovery Fund as described in item (1) of subsection (a), the State Treasurer and State Comptroller shall transfer from the Tobacco Settlement Recovery Fund to the General Obligation Bond Retirement and Interest Fund the amount certified by the Governor, plus any cumulative deficiency in those transfers for prior years.~~

(d) All federal financial participation moneys received pursuant to expenditures from the Fund shall be deposited into the General Account ~~Fund~~.

(Source: P.A. 95-331, eff. 8-21-07.)

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsections (a-1) and (a-2), at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees'

Retirement System under Section 14-135.08 of the Illinois Pension Code. If a line item appropriation to an employer for this purpose is exhausted or is unavailable due to any limitation on appropriations that may apply, (including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act), the amounts shall be paid under the continuing appropriation for this purpose contained in the State Pension Funds Continuing Appropriation Act.

(a-1) Beginning on the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this subsection (a-1). At the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the General Revenue Fund from the amount appropriated for State contributions to the State Employees' Retirement System of an amount calculated at the rate certified for fiscal year 2004 by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. No payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-2) For fiscal year 2010 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2010 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2010 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-3) For fiscal year 2011 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2011 by the Board of Trustees of the State

Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2011 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

(b-1) For fiscal year 2010 only, the State Comptroller shall not approve for payment any non-General Revenue Fund payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System of Illinois, the Comptroller shall promptly so notify the retirement system.

(c) Notwithstanding any other provisions of law, beginning July 1, 2007, required State and employee contributions to the State Employees' Retirement System of Illinois relating to affected legislative staff employees shall be paid out of moneys appropriated for that purpose to the Commission on Government Forecasting and Accountability, rather than out of the lump-sum appropriations otherwise made for the payroll and other costs of those employees.

These payments must be made pursuant to payroll vouchers submitted by the employing entity as part of the regular payroll voucher process.

For the purpose of this subsection, "affected legislative staff employees" means legislative staff employees paid out of lump-sum appropriations made to the General Assembly, an Officer of the General Assembly, or the Senate Operations Commission, but does not include district-office staff or employees of legislative support services agencies.

(Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

(30 ILCS 105/14.2 new)

Sec. 14.2. Fiscal year 2011 State officer compensation forfeiture.

(a) During the fiscal year beginning on July 1, 2010, each State officer listed in subsection (b) is required to forfeit one day of compensation each month. The State Comptroller shall deduct the equivalent of 1/261st of the annual compensation of each of those State officers that is paid from the General Revenue Fund from the compensation of that State officer in each month of the fiscal year. For purposes of this Section, annual compensation includes compensation paid to each of those State officers by the State for one year of service, except any payments made for mileage and allowances for travel and meals.

The forfeiture required by this Section is not considered a change in salary and shall not impact pension or other benefits provided to those State officers.

(b) "State officers" for the purposes of subsection (a) are the following:

Governor

Lieutenant Governor

Secretary of State

Attorney General

Comptroller

State Treasurer

Department on Aging: Director

Department of Agriculture: Director and Assistant Director

Department of Central Management Services: Director and Assistant Directors

Department of Children and Family Services: Director

Department of Corrections: Director and Assistant Director

Department of Commerce and Economic Opportunity: Director and Assistant Director

Environmental Protection Agency: Director

Department of Financial and Professional Regulation: Secretary and Directors

Department of Human Services: Secretary and Assistant Secretaries

Department of Juvenile Justice: Director

Department of Labor: Director, Assistant Director, Chief Factory Inspector, and Superintendent of Safety Inspection and Education

Department of State Police: Director and Assistant Director

Department of Military Affairs: Adjutant General and Chief Assistants to the Adjutant General

Department of Natural Resources: Director, Assistant Director, Mine Officers, and Miners' Examining Officers

Illinois Labor Relations Board: Chairman, State Labor Relations Board members, and Local Labor Relations Board members

Department of Healthcare and Family Services: Director and Assistant Director

Department of Public Health: Director and Assistant Director

Department of Revenue: Director and Assistant Director

Property Tax Appeal Board: Chairman and members

Department of Veterans' Affairs: Director and Assistant Director

Civil Service Commission: Chairman and members

Commerce Commission: Chairman and members

State Board of Elections: Chairman, Vice-Chairman, and members

Illinois Emergency Management Agency: Director and

Assistant Director

Department of Human Rights: Director

Human Rights Commission: Chairman and members

Illinois Workers' Compensation Commission: Chairman and members

Liquor Control Commission: Chairman, members, and Secretary

Executive Ethics Commission: members

Illinois Power Agency: Director

Pollution Control Board: Chairman and members

Prisoner Review Board: Chairman and members

Secretary of State Merit Commission: Chairman and members

Educational Labor Relations Board: Chairman and members

Department of Transportation: Secretary and Assistant Secretary

Office of Small Business Utility Advocate: small business utility advocate

Executive Inspector General for the Office of the Governor

Executive Inspector General for the Office of the Attorney General

Executive Inspector General for the Office of the Secretary of State

Executive Inspector General for the Office of the

Comptroller

Executive Inspector General for the Office of the Treasurer

Office of Auditor General: Auditor General and Deputy Auditors General.

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

Sec. 25. Fiscal year limitations.

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

(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 fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the

State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations.

All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2010, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2010, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2010.

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

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

Medical payments may be made by the Department of Human Services from its appropriations relating to substance abuse treatment services for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services.

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

Further, with respect to costs incurred in fiscal years 2002 and 2003 only, payments may be made by the State Treasurer from its appropriations from the Capital Litigation Trust Fund without regard to any fiscal year limitations.

Lease payments may be made by the Department of Central Management Services under the sale and leaseback provisions of Section 7.4 of the State Property Control Act with respect to the James R. Thompson Center and the Elgin Mental Health Center and surrounding land from appropriations for that purpose without regard to any fiscal year limitations.

Lease payments may be made under the sale and leaseback provisions of Section 7.5 of the State Property Control Act with respect to the Illinois State Toll Highway Authority headquarters building and surrounding land without regard to any fiscal year limitations.

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

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public

Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Healthcare and Family Services, the Department of Human Services (acting as successor to the Department of Public Aid), and the Department of Human Services making fee-for-service payments relating to substance abuse treatment services provided during a previous fiscal year shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State

Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

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

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

(2) Factors affecting the Department of Healthcare and Family Services' liabilities, including but not limited to numbers of aid recipients, levels of medical service utilization by aid recipients, and inflation in the cost of medical services.

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

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

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

(1) billing user agencies in advance for payments or authorized inter-fund transfers based on estimated charges for goods or services;

(2) issuing credits, refunding through inter-fund transfers, or reducing future inter-fund transfers during the subsequent fiscal year for all user agency payments or authorized inter-fund transfers 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 or authorized inter-fund transfers 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 or by increasing an authorized inter-fund transfer during the current fiscal year. For the purposes of this Act, "inter-fund transfers" means transfers without the use of the voucher-warrant process, as authorized

by Section 9.01 of the State Comptroller Act.
(Source: P.A. 95-331, eff. 8-21-07.)

Section 5-20. The State Pension Funds Continuing Appropriation Act is amended by changing Section 1.2 as follows:

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).

(a-1) If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.

(a-2) If a Fiscal Year 2010 Shortfall is certified under subsection (g) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2010 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(e) For State fiscal year 2011 only, the continuing appropriation under this Section provided to the State Employees' Retirement System is limited to an amount equal to the amount certified by the System on or before December 31, 2009, less any amounts received pursuant to subsection (a-3) of Section 14.1 of the State Finance Act.

(Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

ARTICLE 25. ADDITIONAL AMENDATORY PROVISIONS

Section 25-5. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Sections 50-5 and 50-10 and by adding Sections 50-7 and 50-25 as follows:

(15 ILCS 20/50-5)

Sec. 50-5. Governor to submit State budget.

(a) The Governor shall, as soon as possible and not later than the second Wednesday in March in 2010 (March 10, 2010) and the third Wednesday in February of each year beginning in 2011, except as otherwise provided in this Section, submit a State budget, embracing therein the amounts recommended by the Governor to be appropriated to the respective departments, offices, and institutions, and for all other public purposes, the estimated revenues from taxation, the estimated revenues from sources other than taxation, and an estimate of the amount required to be raised by taxation. The amounts recommended by the Governor for appropriation to the respective departments, offices and institutions shall be formulated according to the various functions and activities for which the respective department, office or institution of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) is responsible. The amounts relating to particular functions and activities shall be further formulated in accordance with the object classification specified in Section 13 of the State Finance Act. In addition, the amounts recommended by the Governor for appropriation shall take into account each State agency's effectiveness in achieving its prioritized goals for the previous fiscal year, as set forth in Section 50-25 of this Law, giving priority to agencies and programs that have demonstrated a focus on the prevention of waste and the maximum yield from resources.

Beginning in fiscal year 2011, the Governor shall distribute written quarterly budget statements to the General Assembly and the State Comptroller. The statements shall be submitted on Wednesday of the last week of the last month of each quarter of the fiscal year and, as is currently the practice on the effective date of this amendatory Act of the 96th General Assembly, shall be posted on the Comptroller's website on the same day. The statements shall be prepared and presented in an executive summary format that includes, for the fiscal year to date, individual itemizations for each revenue source as well as individual itemizations of expenditures and obligations, by the classified line items set forth in Section 13 of the State Finance Act and for other purposes, with an appropriate level of detail. The statement shall include a calculation of the actual total budget surplus or deficit. The Governor shall also present periodic budget addresses throughout the fiscal year at the invitation of the General Assembly.

The Governor shall not propose expenditures and the General Assembly shall not enact appropriations that exceed the resources estimated to be available, as provided in this Section. Appropriations may be adjusted during the fiscal year by means of one or more supplemental appropriation bills if any State agency either fails to meet or exceeds the goals set forth in Section 50-25 of this Law.

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

(1) General Revenue Fund.

(2) Common School Fund.

(3) Educational Assistance Fund.

(4) Road Fund.

(5) Motor Fuel Tax Fund.

(6) Agricultural Premium Fund.

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

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the

State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

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

Appropriations for expenditures shall also include all anticipated statutory continuing appropriation obligations that are expected to be incurred during the budgeted fiscal year.

By March 15 of each year, the Commission on Government Forecasting and Accountability 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.

For all funds other than the budgeted funds, the proposed expenditures shall not exceed funds estimated to be available for the fiscal year as shown in the budget. Appropriation for a fiscal year shall not exceed funds estimated by the General Assembly to be available during that year.

(b) This subsection applies only to the process for the proposed fiscal year 2011 budget.

By February 24, 2010, the Governor must file a written report with the Secretary of the Senate and the Clerk of the House of Representatives containing the following:

(1) for fiscal year 2010, the revenues for all budgeted funds, both actual to date and estimated for the full fiscal year;

(2) for fiscal year 2010, the expenditures for all budgeted funds, both actual to date and estimated for the full fiscal year;

(3) for fiscal year 2011, the estimated revenues for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, for the full fiscal year; and

(4) for fiscal year 2011, an estimate of the anticipated liabilities for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, debt service on bonds issued, and the State's contributions to the pension systems, for the full fiscal year.

Between February 24, 2010 and March 10, 2010, the members of the General Assembly and members of the public may make written budget recommendations to the Governor, and the Governor shall promptly make those recommendations available to the public through the Governor's Internet website.

(Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881, eff. 2-11-10.)

(15 ILCS 20/50-7 new)

Sec. 50-7. Online budget survey. Beginning in February of 2011, and during February of each year thereafter, the Governor's Office of Management and Budget shall post on its website a survey that will allow residents of the State to prioritize proposed spending measures for the next fiscal year. The Office shall post the results of each survey on its website.

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

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

The budget shall contain a capital development section in which the Governor will present (1) information on the capital projects and capital programs for which appropriations are requested, (2) the capital spending plans, which shall document the first and subsequent years cash requirements by fund for the proposed bonded program, and (3) a statement that shall identify by year the principal and interest costs until retirement of the State's general obligation debt. In addition, the principal and interest costs of the budget year program shall be presented separately, to indicate the marginal cost of principal and interest payments necessary to retire the additional bonds needed to finance the budget year's capital program. In 2004 only, the capital development section of the State budget shall be submitted by the Governor not later than the fourth Tuesday of March (March 23, 2004).

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

Together with the budget, the Governor shall transmit the estimates of receipts and expenditures, as received by the Director of the Governor's Office of Management and Budget, of the elective officers in the executive and judicial departments and of the University of Illinois.

An applicable appropriations committee of each chamber of the General Assembly, for fiscal year 2012 and thereafter, must review individual line item appropriations and the total budget for each State agency, as defined in the Illinois State Auditing Act.

(Source: P.A. 93-662, eff. 2-11-04.)

(15 ILCS 20/50-25 new)

Sec. 50-25. Statewide prioritized goals. For fiscal year 2012 and each fiscal year thereafter, prior to the submission of the State budget, the Governor, in consultation with the appropriation committees of the General Assembly, shall: (i) prioritize outcomes that are most important for each State agency of the executive branch under the jurisdiction of the Governor to achieve for the next fiscal year and (ii) set goals to accomplish those outcomes according to the priority of the outcome. In addition, each other constitutional officer of the executive branch, in consultation with the appropriation committees of the General Assembly, shall: (i) prioritize outcomes that are most important for his or her office to achieve for the next fiscal year and (ii) set goals to accomplish those outcomes according to the priority of the outcome. The Governor and each constitutional officer shall separately conduct performance analyses to determine which programs, strategies, and activities will best achieve those desired outcomes. The Governor shall recommend that appropriations be made to State agencies and officers for the next fiscal year based on the agreed upon goals and priorities. Each agency and officer may develop its own strategies for meeting those goals and shall review and analyze those strategies on a regular basis. The Governor shall also implement procedures to measure annual progress toward the State's highest priority outcomes and shall develop a statewide reporting system that compares the actual results with budgeted results. Those performance measures and results shall be posted on the State Comptroller's website, and compiled for distribution in the Comptroller's Public Accountability Report, as is currently the practice on the effective date of this amendatory Act of the 96th General Assembly.

Section 25-10. The Governor's Office of Management and Budget Act is amended by changing Section 2.1 as follows:

(20 ILCS 3005/2.1) (from Ch. 127, par. 412.1)

Sec. 2.1.

To assist the Governor in submitting a recommended budget, including estimated receipts and revenue, to the General Assembly, and to consult with the Commission on Government Forecasting and Accountability, at the Commission's request, in compiling a report on the estimated income of the State, as required under Section 4 of the Commission on Government Forecasting and Accountability Act.

(Source: P.A. 76-2411.)

Section 25-15. The Commission on Government Forecasting and Accountability Act is amended by changing Sections 3 and 4 as follows:

(25 ILCS 155/3) (from Ch. 63, par. 343)

Sec. 3. The Commission shall:

(1) Study from time to time and report to the General Assembly on economic development and trends in the State.

(2) Make such special economic and fiscal studies as it deems appropriate or desirable or as the General Assembly may request.

(3) Based on its studies, recommend such State fiscal and economic policies as it deems appropriate or desirable to improve the functioning of State government and the economy of the various regions within the State.

(4) Prepare annually a State economic report.

(5) Provide information for all appropriate legislative organizations and personnel on economic trends in relation to long range planning and budgeting.

(6) Study and make such recommendations as it deems appropriate to the General Assembly on local and regional economic and fiscal policy and on federal fiscal policy as it may affect Illinois.

(7) Review capital expenditures, appropriations and authorizations for both the State's general obligation and revenue bonding authorities. At the direction of the Commission, specific reviews may include economic feasibility reviews of existing or proposed revenue bond projects to determine the accuracy of the original estimate of useful life of the projects, maintenance requirements and ability to meet debt service requirements through their operating expenses.

(8) Receive and review all executive agency and revenue

bonding authority annual and 3 year plans. The Commission shall prepare a consolidated review of these plans, an updated assessment of current State agency capital plans, a report on the outstanding and unissued bond authorizations, an evaluation of the State's ability to market further bond issues and shall submit them as the "Legislative Capital Plan Analysis" to the House and Senate Appropriations Committees at least once a year. The Commission shall annually submit to the General Assembly on the first Wednesday of April a report on the State's long-term capital needs, with particular emphasis upon and detail of the 5-year period in the immediate future.

(9) Study and make recommendations it deems appropriate to the General Assembly on State bond financing, bondability guidelines, and debt management. At the direction of the Commission, specific studies and reviews may take into consideration short and long-run implications of State bonding and debt management policy.

(10) Comply with the provisions of the "State Debt Impact Note Act" as now or hereafter amended.

(11) Comply with the provisions of the Pension Impact Note Act, as now or hereafter amended.

(12) By August 1st of each year, the Commission must prepare and cause to be published a summary report of State appropriations for the State fiscal year beginning the previous July 1st. The summary report must discuss major categories of appropriations, the issues the General Assembly faced in

allocating appropriations, comparisons with appropriations for previous State fiscal years, and other matters helpful in providing the citizens of Illinois with an overall understanding of appropriations for that fiscal year. The summary report must be written in plain language and designed for readability. Publication must be in newspapers of general circulation in the various areas of the State to ensure distribution statewide. The summary report must also be published on the General Assembly's web site.

(13) Comply with the provisions of the State Facilities Closure Act.

(14) For fiscal year 2012 and thereafter, develop a 3-year budget forecast for the State, including opportunities and threats concerning anticipated revenues and expenditures, with an appropriate level of detail.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act, and filing such additional 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. 92-67, eff. 7-12-01; 93-632, eff. 2-1-04; 93-839, eff. 7-30-04.)

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

Sec. 4. (a) The Commission shall publish, at the convening of each regular session of the General Assembly, a report on the estimated income of the State from all applicable revenue sources for the next ensuing fiscal year and of any other funds estimated to be available for such fiscal year. <u>The Commission, in its discretion, may consult with the Governor's Office of Management and Budget in preparing the report.</u> On the third Wednesday in March after the session convenes, the Commission shall issue a revised and updated set of revenue figures reflecting the latest available information. The House and Senate by joint resolution shall adopt or modify such estimates as may be appropriate. The joint resolution shall constitute the General Assembly's estimate, under paragraph (b) of Section 2 of Article VIII of the Constitution, of the funds estimated to be available during the next fiscal year.

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

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

(2) liabilities of the State employee group health insurance program.

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

(c) The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research unit, as required by Section 3.1 of the General Assembly Organization Act, and filing such additional 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. 93-632, eff. 2-1-04.)

ARTICLE 30. GENERAL ASSEMBLY PER DIEM

Section 5. The General Assembly Compensation Act is amended by changing Section 1 as follows:

(25 ILCS 115/1) (from Ch. 63, par. 14)

Sec. 1. Each member of the General Assembly shall receive an annual salary of $28,000 or as set by the Compensation Review Board, whichever is greater. The following named officers, committee chairmen and committee minority spokesmen shall receive additional amounts per year for their services as such officers, committee chairmen and committee minority spokesmen respectively, as set by the Compensation Review Board or, as follows, whichever is greater: Beginning the second

Wednesday in January 1989, the Speaker and the minority leader of the House of Representatives and the President and the minority leader of the Senate, $16,000 each; the majority leader in the House of Representatives $13,500; 6 assistant majority leaders and 5 assistant minority leaders in the Senate, $12,000 each; 6 assistant majority leaders and 6 assistant minority leaders in the House of Representatives, $10,500 each; 2 Deputy Majority leaders in the House of Representatives $11,500 each; and 2 Deputy Minority leaders in the House of Representatives, $11,500 each; the majority caucus chairman and minority caucus chairman in the Senate, $12,000 each; and beginning the second Wednesday in January, 1989, the majority conference chairman and the minority conference chairman in the House of Representatives, $10,500 each; beginning the second Wednesday in January, 1989, the chairman and minority spokesman of each standing committee of the Senate, except the Rules Committee, the Committee on Committees, and the Committee on Assignment of Bills, $6,000 each; and beginning the second Wednesday in January, 1989, the chairman and minority spokesman of each standing and select committee of the House of Representatives, $6,000 each. A member who serves in more than one position as an officer, committee chairman, or committee minority spokesman shall receive only one additional amount based on the position paying the highest additional amount. The compensation provided for in this Section to be paid per year to members of the General

Assembly, including the additional sums payable per year to officers of the General Assembly shall be paid in 12 equal monthly installments. The first such installment is payable on January 31, 1977. All subsequent equal monthly installments are payable on the last working day of the month. A member who has held office any part of a month is entitled to compensation for an entire month.

Mileage shall be paid at the rate of 20 cents per mile before January 9, 1985, and at the mileage allowance rate in effect under regulations promulgated pursuant to 5 U.S.C. 5707(b)(2) beginning January 9, 1985, for the number of actual highway miles necessarily and conveniently traveled by the most feasible route to be present upon convening of the sessions of the General Assembly by such member in each and every trip during each session in going to and returning from the seat of government, to be computed by the Comptroller. A member traveling by public transportation for such purposes, however, shall be paid his actual cost of that transportation instead of on the mileage rate if his cost of public transportation exceeds the amount to which he would be entitled on a mileage basis. No member may be paid, whether on a mileage basis or for actual costs of public transportation, for more than one such trip for each week the General Assembly is actually in session. Each member shall also receive an allowance of $36 per day for lodging and meals while in attendance at sessions of the General Assembly before January 9, 1985; beginning January 9, 1985, such food and lodging allowance shall be equal to the amount per day permitted to be deducted for such expenses under the Internal Revenue Code; however, beginning May 31, 1995, no allowance for food and lodging while in attendance at sessions is authorized for periods of time after the last day in May of each calendar year, except (i) if the General Assembly is convened in special session by either the Governor or the presiding officers of both houses, as provided by subsection (b) of Section 5 of Article IV of the Illinois Constitution or (ii) if the General Assembly is convened to consider bills vetoed, item vetoed, reduced, or returned with specific recommendations for change by the Governor as provided in Section 9 of Article IV of the Illinois Constitution. Notwithstanding any other provision, for fiscal year 2011 only (i) the allowance for lodging and meals is $111 per day and (ii) mileage for automobile travel shall be reimbursed at a rate of $0.39 per mile.

If a member dies having received only a portion of the amount payable as compensation, the unpaid balance shall be paid to the surviving spouse of such member, or, if there be none, to the estate of such member.

(Source: P.A. 89-405, eff. 11-8-95.)

ARTICLE 35. FY11 COLAS

Section 35-5. The Compensation Review Act is amended by changing Section 5.6 and by adding Section 5.7 as follows:

(25 ILCS 120/5.6)

Sec. 5.6. FY10 COLA's prohibited. Notwithstanding any former or current provision of this Act, any other law, any report of the Compensation Review Board, or any resolution of the General Assembly to the contrary, members of the General Assembly, State's attorneys, other than the county supplement, the elected constitutional officers of State government, and certain appointed officers of State government, including members of State departments, agencies, boards, and commissions whose annual compensation was recommended or determined by the Compensation Review Board, are prohibited from receiving and shall not receive any increase in compensation that would otherwise apply based on a cost of living adjustment, as authorized by Senate Joint Resolution 192 of the 86th General Assembly, for or during the fiscal year beginning July 1, 2009. ~~That cost of living adjustment shall apply again in the fiscal year beginning July 1, 2010 and thereafter.~~

(Source: P.A. 96-800, eff. 10-30-09.)

(25 ILCS 120/5.7 new)

Sec. 5.7. FY11 COLA's prohibited. Notwithstanding any former or current provision of this Act, any other law, any report of the Compensation Review Board, or any resolution of the General Assembly to the contrary, members of the General Assembly, State's attorneys, other than the county supplement, elected executive branch constitutional officers of State government, and persons in certain appointed offices of State government, including the membership of State departments, agencies, boards, and commissions, whose annual compensation previously was recommended or determined by the Compensation Review Board, are prohibited from receiving and shall not receive any increase in compensation that would otherwise apply based on a cost of living adjustment, as authorized by Senate Joint Resolution 192 of the 86th General Assembly, for or during the fiscal year beginning July 1, 2010. That cost of living adjustment shall apply again in the fiscal year beginning July 1, 2011 and thereafter.

ARTICLE 97. SEVERABILITY

Section 97-1. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 99. EFFECTIVE DATE

Section 99-1. Effective date. This Act takes effect upon becoming law.