

AN ACT concerning State government.

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

Section 5. The Illinois Public Labor Relations Act is amended by adding Section 21.5 as follows:

(5 ILCS 315/21.5 new)

Sec. 21.5. Termination of certain agreements after constitutional officers take office.

(a) No collective bargaining agreement entered into, on or after the effective date of this amendatory Act of the 96th General Assembly between an executive branch constitutional officer or any agency or department of an executive branch constitutional officer and a labor organization may extend beyond June 30th of the year in which the terms of office of executive branch constitutional officers begin.

(b) No collective bargaining agreement entered into, on or after the effective date of this amendatory Act of the 96th General Assembly between an executive branch constitutional officer or any agency or department of an executive branch constitutional officer and a labor organization may provide for an increase in salary, wages, or benefits starting on or after the first day of the terms of office of executive branch constitutional officers and ending June 30th of that same year.

(c) Any collective bargaining agreement in violation of this Section is terminated and rendered null and void by operation of law.

(d) For purposes of this Section, "executive branch constitutional officer" has the same meaning as that term is defined in the State Officials and Employees Ethics Act.

Section 10. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Sections 50-5 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, and the estimated revenues from sources other than taxation, ~~and an estimate of the amount required to be raised by taxation.~~ Except with respect to the capital development provisions of the State budget, beginning with the revenue estimates prepared for fiscal year 2012, revenue estimates shall be based solely on:

(i) revenue sources (including non-income resources), rates, and levels that exist as of the date of the submission of the State budget for the fiscal year and (ii) revenue sources (including non-income resources), rates, and levels that have been passed by the General Assembly as of the date of the submission of the State budget for the fiscal year and that are authorized to take effect in that fiscal year. Except with respect to the capital development provisions of the State budget, the Governor shall determine available revenue, deduct the cost of essential government services, including, but not limited to, pension payments and debt service, and assign a percentage of the remaining revenue to each statewide prioritized goal, as established in Section 50-25 of this Law, taking into consideration the proposed goals set forth in the report of the Commission established under that Section. The Governor shall also demonstrate how spending priorities for the fiscal year fulfill those statewide goals. The amounts recommended by the Governor for appropriation to the respective departments, offices and institutions shall be formulated according to each department's, office's, and institution's ability to effectively deliver services that meet the established statewide goals ~~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 financial reports on operating funds, which may include general, State, or federal funds and may include funds related to agencies that have significant impacts on State operations, ~~budget statements~~ to the General Assembly and the State Comptroller. The reports ~~statements~~ shall be submitted no later than 45 days after the last day 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 Governor's Office of Management and Budget's ~~Comptroller's~~ website on the same day. The reports ~~statements~~ shall be prepared and presented in an executive summary format that may include ~~includes~~, for the fiscal year to date, individual itemizations for each significant revenue type ~~source~~ as well as ~~individual~~

itemizations of expenditures and obligations, by agency ~~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 reports ~~statement~~ shall include a calculation of
the actual total budget surplus or deficit for the fiscal year
to date. 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 July 1 and August 31 of each fiscal year ~~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.~~

Beginning with budgets prepared for fiscal year 2013, the budgets submitted by the Governor and appropriations made by the General Assembly for all executive branch State agencies must adhere to a method of budgeting where each priority must be justified each year according to merit rather than according to the amount appropriated for the preceding year.

(Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881, eff. 2-11-10; 96-958, eff. 7-1-10; 96-1000, eff. 7-2-10.)

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 and, beginning with budgets prepared for fiscal year 2013, the commission established under this Section, 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. There must be a reasonable number of annually defined statewide goals defining State priorities for the budget. Each goal shall be further defined to facilitate success in achieving that goal. No later than July 31 of each fiscal year beginning in fiscal year 2012, the Governor shall establish a commission for the purpose of advising the Governor in setting those outcomes and goals, including the timeline for achieving those outcomes and goals. The commission shall be a well-balanced group and shall be a manageable size. The commission shall hold at least 2 public meetings during each fiscal year. One meeting shall be held in the City of Chicago and one meeting shall be held in the City of Springfield. By November 1 of each year, the commission shall submit a report to the Governor and the General Assembly setting forth recommendations with respect to the Governor's proposed outcomes and goals. The report shall be published on the

Governor's Office of Management and Budget's website. In its report, the commission shall propose a percentage of the total budget to be assigned to each proposed outcome and goal. The commission shall also review existing mandated expenditures and include in its report recommendations for the termination of mandated expenditures. The General Assembly may object to the commission's report by passing a joint resolution detailing the General Assembly's objections.

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.

(Source: P.A. 96-958, eff. 7-1-10.)

Section 15. The Illinois Grant Funds Recovery Act is amended by adding Section 4.2 as follows:

(30 ILCS 705/4.2 new)

Sec. 4.2. Suspension of grant making authority. Any grant funds and any grant program administered by a grantor agency subject to this Act are indefinitely suspended on July 1, 2012, and on July 1st of every 5th year thereafter, unless the General Assembly, by law, authorizes that grantor agency to make grants or lifts the suspension of the authorization of that grantor agency to make grants. In the case of a suspension of the authorization of a grantor agency to make grants, the authority of that grantor agency to make grants is suspended until the suspension is explicitly lifted by law by the General Assembly, even if an appropriation has been made for the explicit purpose of such grants. This suspension of grant making authority supersedes any other law or rule to the contrary.

Section 99. Effective date. This Act takes effect upon

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becoming law.