



FILED
INDEX DEPARTMENT
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SPRINGFIELD, ILLINOIS

IN THE OFFICE OF
SECRETARY OF STATE
EXECUTIVE ORDER

15-08

EXECUTIVE ORDER TO ADDRESS THE STATE'S FISCAL CRISIS

WHEREAS, the State of Illinois faces historic, unprecedented debt obligations, including over \$100 billion in unfunded pension liabilities and \$6.5 billion in unpaid bills; and

WHEREAS, although the Illinois Constitution requires – and the people of Illinois expect – a balanced and honest budget, the State’s budget for the current fiscal year ending June 30, 2015, does not fully account for all expected spending or changes in revenue during the remainder of this fiscal year, resulting in a current deficit of approximately \$760 million; and

WHEREAS, the budget for the current fiscal year relies upon borrowing, including \$650 million in inter-fund borrowing; and

WHEREAS, the State is required to pay \$1.4 billion per year to service debt on bonds previously issued to fund the State’s pension obligations; and

WHEREAS, on top of the payments for pension-related debt, the State is expected to contribute \$6.6 billion from the General Revenue Fund to the pension systems in the next fiscal year – which includes \$4.6 billion in payments resulting from the State’s previous failure to adequately fund its pension obligations; and

WHEREAS, the State’s credit rating is currently the lowest among all 50 U.S. states; and

WHEREAS, the State’s debts diminish the State’s ability to attract and retain businesses and residents and are a burden upon the State’s ability to serve the critical needs of its people; and

WHEREAS, in order to honestly align spending and revenues, to satisfy the requirements of Section 2 of Article VIII of the Illinois Constitution, and to ensure that our public resources are available for our most critical needs, the Executive Branch must undertake meaningful steps to examine and reduce spending;

THEREFORE, I, Bruce Rauner, Governor of Illinois, by virtue of the executive authority vested in me by Section 8 of Article V of the Constitution of the State of Illinois, do hereby order as follows:

I. DEFINITIONS

As used in this Executive Order:

“CMS” means the Illinois Department of Central Management Services.

“FY 2015” means the fiscal year of the State of Illinois ending on June 30, 2015.

“GOMB” means the Governor’s Office of Management and Budget.

“State Agency” means any officer, department, agency, board, commission, or authority of the Executive Branch of the State of Illinois.

“State Funds” means all funds available to a State Agency from whatever source.

II. PROCUREMENT AND PERSONNEL

1. Review of Procurement and Personnel Decisions. As soon as practicable, every State Agency shall provide a report to GOMB identifying (a) every contract or grant that was let, awarded, or entered into by the State Agency on or after November 1, 2014 and through the date of the report and (b) every decision or action taken by the State Agency to employ or to terminate the employment of any employee of the State Agency on or after November 1, 2014 and through the date of the report.
2. Contracts and Grants. Until July 1, 2015, no State Agency shall let, award, or enter into any contract or grant, or any amendment or change order to or renewal of any existing contract or grant, that obligates the expenditure of State Funds except as follows:
 - (a) Contracts Required by Law. A State Agency may enter into a contract or grant that is required to comply with applicable law, provided that the State Agency first complies with any applicable guidelines issued by GOMB for verifying that the contract or grant is required by law.
 - (b) Contracts for Emergency Expenditures. A State Agency may enter into a contract that is required in order to incur an emergency expenditure that, if not incurred, would jeopardize one or more fundamental operations of the State Agency and for which there is not adequate time to permit review and approval by GOMB before entering into the contract for, provided that (i) the contract does not obligate the expenditure of State Funds except as required for the emergency expenditure, and (ii) the State Agency complies with any applicable guidelines issued by GOMB for subsequent review of the contract and expenditure, including of the exigent circumstances that existed.
 - (c) Contracts for Small Purchases. A State Agency may enter into a contract that obligates the State to pay less than \$50,000 (including any contingent and conditional payment obligations) during the term of the contract, provided that the State Agency complies with any applicable guidelines issued by GOMB for subsequent review of the contract and expenditure.
 - (d) Contracts and Grants for Essential Operations. If the State Agency determines that the contract or grant is needed for its essential operations, but the contract does not otherwise meet the criteria immediately above, the State Agency must first submit the proposed contract or grant to GOMB for review and approval in accordance with any applicable guidelines issued by GOMB, before the State Agency enters into the contract or grant.
3. Review of the Major Interstate Construction Projects. The planning and development of any major construction that has an impact on interstate travel and for which construction has not commenced, as identified by the State Agency or GOMB, shall be suspended in order to allow careful review of the project and its potential costs and benefits.
4. Review and Termination of Non-Essential Contracts. Every State Agency shall review all contracts that require the expenditure of State Funds that are not essential for the State Agency's operations. As soon as reasonably practicable, every State Agency shall provide a report to GOMB of all such non-essential contracts, together with information about when and under what circumstances such non-essential contracts may be terminated without material penalty to the State of Illinois.

III. SPENDING

1. Managing Existing Resources. To the extent feasible and without compromising its essential operations, each State Agency shall take all necessary actions to manage its State Funds and other resources to avoid the need for supplemental funding in excess of the State Funds heretofore made available by appropriations or other sources. Each State Agency shall provide a report to GOMB as soon as practicable of such actions taken, or to be taken, by the State Agency.
2. Supplemental Funding (Balanced Budget Note Act). No State Agency shall encumber, obligate, or expend State Funds that have been appropriated pursuant to a "supplemental appropriation bill," as such term is defined in Section 5 of the Balanced Budget Note Act (25 ILCS 80/5), unless (1) such supplemental appropriation bill was accompanied by a Balanced Budget Note as required by the Balanced Budget Note Act or (2) otherwise approved by GOMB.

3. Motor Vehicles. No State Agency shall purchase or lease any motor vehicle except in accordance with any applicable guidelines issued by GOMB.
4. Out-of-State Travel. No State Agency shall expend State Funds for travel by its personnel, contractors, or other persons outside of the State of Illinois except after review and approval by GOMB.
5. In-State Travel. Every State Agency shall make every effort to limit the number of its personnel who travel within the State of Illinois and seek reimbursement for the costs of such travel. Such efforts shall include:
 - (a) Pre-Approval for Reimbursements. Every employee must receive express pre-approval from the head of the agency in which the employee is employed, or the designee of such agency head, for any travel costs to be reimbursed by the State.
 - (b) Review of Travel Vouchers. Every State Agency must conduct a review of all travel vouchers that have been submitted and paid in order to identify and eliminate excessive, improper, un-approved, or unnecessary reimbursements.
 - (c) Eliminating Unnecessary Travel. To the extent feasible, every State Agency shall reduce reimbursements for travel costs by requirement employees to use State-owned vehicles (where such usage results in a net savings to the State), to carpool, or to take public transportation whenever possible; and by using teleconferencing and videoconferencing in place of travel whenever possible.

IV. STATE PROPERTY

1. Surplus Personal Property. At the direction of GOMB, CMS shall identify surplus personal property owned by the State of Illinois and conduct an auction of such property, in compliance with all applicable laws and regulations. CMS shall provide a report to GOMB of all such actions taken by June 30, 2015.
2. Surplus Real Property. GOMB and CMS shall review all real property owned or leased by the State of Illinois and develop and implement a comprehensive strategy for (1) consolidating offices and other functions into fewer and less costly spaces, (2) re-locating offices and other functions from leased space to space owned by the State of Illinois, and (3) disposing of under-utilized space.
3. Energy Efficiency and Conservation. Every State Agency shall implement practices to reduce energy consumption and prevent wasteful spending on energy, including reducing heating, air conditioning, and lighting usage when facilities are not in use. The facility manager for each State Agency shall recommend specific measures and practices that may be undertaken by the State Agency.

V. PRIOR EXECUTIVE ORDERS

This Executive Order supersedes any contrary provision of any prior Executive Order.

VI. SAVINGS CLAUSE

This Executive Order does not contravene and shall not be construed to contravene any State or federal law or any collective bargaining agreement.

VII. SEVERABILITY CLAUSE

If any part of this Executive Order is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

VIII. EFFECTIVE DATE

This Executive Order shall take effect immediately upon filing with the Secretary of State.


Bruce Rauner, Governor