

1 AN ACT concerning State government.

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

4 ARTICLE 1. SHORT TITLE; PURPOSE

5 Section 1-1. Short title. This Act may be cited as the
6 FY2009 Budget Implementation (Spring Supplemental) Act.

7 Section 1-5. Purpose. It is the purpose of this Act to make
8 changes in State programs that are necessary to implement the
9 Governor's Fiscal Year 2009 supplemental budget
10 recommendations as a result of enactment of the American
11 Recovery and Reinvestment Act of 2009.

12 ARTICLE 5. FEDERAL RECOVERY

13 Section 5-5. The Department of Transportation Law of the
14 Civil Administrative Code of Illinois is amended by adding
15 Section 2705-585 as follows:

16 (20 ILCS 2705/2705-585 new)

17 Sec. 2705-585. Diversity goals.

18 (a) To the extent permitted by any applicable federal law
19 or regulation, all State construction projects funded from

1 amounts (i) made available under the Governor's Fiscal Year
2 2009 supplemental budget or the American Recovery and
3 Reinvestment Act of 2009 and (ii) that are appropriated to the
4 Illinois Department of Transportation shall comply with the
5 Business Enterprise for Minorities, Females, and Persons with
6 Disabilities Act.

7 (b) The Illinois Department of Transportation shall
8 appoint representatives to professional and artistic services
9 selection committees representative of the State's ethnic,
10 cultural, and geographic diversity, including, but not limited
11 to, at least one person from each of the following: an
12 association representing the interests of African American
13 business owners, an association representing the interests of
14 Latino business owners, and an association representing the
15 interests of women business owners. These committees shall
16 comply with all requirements of the Open Meetings Act.

17 Section 5-10. The State Finance Act is amended by changing
18 Section 6z-52 as follows:

19 (30 ILCS 105/6z-52)

20 Sec. 6z-52. Drug Rebate Fund.

21 (a) There is created in the State Treasury a special fund
22 to be known as the Drug Rebate Fund.

23 (b) The Fund is created for the purpose of receiving and
24 disbursing moneys in accordance with this Section.

1 Disbursements from the Fund shall be made, subject to
2 appropriation, only as follows:

3 (1) For payments to pharmacies for reimbursement for
4 prescription drugs provided to a recipient of aid under
5 Article V of the Illinois Public Aid Code or the Children's
6 Health Insurance Program Act.

7 (2) For reimbursement of moneys collected by the
8 Department of Healthcare and Family Services (formerly
9 Illinois Department of Public Aid) through error or
10 mistake.

11 (3) For payments of any amounts that are reimbursable
12 to the federal government resulting from a payment into
13 this Fund.

14 (c) The Fund shall consist of the following:

15 (1) Upon notification from the Director of Healthcare
16 and Family Services, the Comptroller shall direct and the
17 Treasurer shall transfer the net State share (disregarding
18 the reduction in net State share attributable to the
19 American Recovery and Reinvestment Act of 2009 or any other
20 federal economic stimulus program) of all moneys received
21 by the Department of Healthcare and Family Services
22 (formerly Illinois Department of Public Aid) from drug
23 rebate agreements with pharmaceutical manufacturers
24 pursuant to Title XIX of the federal Social Security Act,
25 including any portion of the balance in the Public Aid
26 Recoveries Trust Fund on July 1, 2001 that is attributable

1 to such receipts.

2 (2) All federal matching funds received by the Illinois
3 Department as a result of expenditures made by the
4 Department that are attributable to moneys deposited in the
5 Fund.

6 (3) Any premium collected by the Illinois Department
7 from participants under a waiver approved by the federal
8 government relating to provision of pharmaceutical
9 services.

10 (4) All other moneys received for the Fund from any
11 other source, including interest earned thereon.

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

13 Section 5-12. The Business Enterprise for Minorities,
14 Females, and Persons with Disabilities Act is amended by
15 changing Section 4 as follows:

16 (30 ILCS 575/4) (from Ch. 127, par. 132.604)

17 (Section scheduled to be repealed on June 30, 2010)

18 Sec. 4. Award of State contracts.

19 (a) Except as provided in subsection (b), not less than 12%
20 of the total dollar amount of State contracts, as defined by
21 the Secretary of the Council and approved by the Council, shall
22 be established as a goal to be awarded to businesses owned by
23 minorities, females, and persons with disabilities; provided,
24 however, that contracts representing at least five-twelfths of

1 the total amount of all State contracts awarded to businesses
2 owned by minorities, females, and persons with disabilities
3 pursuant to this Section shall be awarded to female owned
4 businesses, and that contracts representing at least one-sixth
5 of the total amount of all State contracts awarded to
6 businesses owned by minorities, females, and persons with
7 disabilities pursuant to this Section shall be awarded to
8 businesses owned by persons with disabilities.

9 The above percentage relates to the total dollar amount of
10 State contracts during each State fiscal year, calculated by
11 examining independently each type of contract for each agency
12 or university which lets such contracts. Only that percentage
13 of arrangements which represents the participation of
14 businesses owned by minorities, females, and persons with
15 disabilities on such contracts shall be included.

16 (b) In the case of State construction contracts, the
17 provisions of subsection (a) requiring a portion of State
18 contracts to be awarded to businesses owned and controlled by
19 persons with disabilities do not apply. Not less than 10% of
20 the total dollar amount of State construction contracts is
21 established as a goal to be awarded to minority and female
22 owned businesses, and contracts representing 50% of the amount
23 of all State construction contracts awarded to minority and
24 female owned businesses shall be awarded to female owned
25 businesses.

26 (c) Within one year after the effective date of this

1 amendatory Act of the 96th General Assembly, the Department of
2 Central Management Services shall conduct a social scientific
3 study that measures the impact of discrimination on minority
4 and female business development in Illinois. Within 18 months
5 after the effective date of this amendatory Act, the Department
6 shall issue a report of its findings and any recommendations on
7 whether to adjust the goals for minority and female
8 participation established in this Act. Copies of this report
9 and the social scientific study shall be filed with the
10 Governor and the General Assembly.

11 (Source: P.A. 87-701; 88-597, eff. 8-28-94.)

12 Section 5-15. The Illinois Public Aid Code is amended by
13 changing Section 5A-10 as follows:

14 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

15 Sec. 5A-10. Applicability.

16 (a) The assessment imposed by Section 5A-2 shall not take
17 effect or shall cease to be imposed, and any moneys remaining
18 in the Fund shall be refunded to hospital providers in
19 proportion to the amounts paid by them, if:

20 (1) The sum of the appropriations for State fiscal
21 years 2004 and 2005 from the General Revenue Fund for
22 hospital payments under the medical assistance program is
23 less than \$4,500,000,000 or the appropriation for each of
24 State fiscal years 2006, 2007 and 2008 from the General

1 Revenue Fund for hospital payments under the medical
2 assistance program is less than \$2,500,000,000 increased
3 annually to reflect any increase in the number of
4 recipients, or the annual appropriation for State fiscal
5 years 2009 through 2013, from the General Revenue Fund
6 combined with the Hospital Provider Fund as authorized in
7 Section 5A-8 for hospital payments under the medical
8 assistance program, is less than the amount appropriated
9 for State fiscal year 2009, adjusted annually to reflect
10 any change in the number of recipients, excluding State
11 fiscal year 2009 supplemental appropriations made
12 necessary by the enactment of the American Recovery and
13 Reinvestment Act of 2009; or

14 (2) For State fiscal years prior to State fiscal year
15 2009, the Department of Healthcare and Family Services
16 (formerly Department of Public Aid) makes changes in its
17 rules that reduce the hospital inpatient or outpatient
18 payment rates, including adjustment payment rates, in
19 effect on October 1, 2004, except for hospitals described
20 in subsection (b) of Section 5A-3 and except for changes in
21 the methodology for calculating outlier payments to
22 hospitals for exceptionally costly stays, so long as those
23 changes do not reduce aggregate expenditures below the
24 amount expended in State fiscal year 2005 for such
25 services; or

26 (2.1) For State fiscal years 2009 through 2013, the

1 Department of Healthcare and Family Services adopts any
2 administrative rule change to reduce payment rates or
3 alters any payment methodology that reduces any payment
4 rates made to operating hospitals under the approved Title
5 XIX or Title XXI State plan in effect January 1, 2008
6 except for:

7 (A) any changes for hospitals described in
8 subsection (b) of Section 5A-3; or

9 (B) any rates for payments made under this Article
10 V-A; or

11 (C) any changes proposed in State plan amendment
12 transmittal numbers 08-01, 08-02, 08-04, 08-06, and
13 08-07; or

14 (3) The payments to hospitals required under Section
15 5A-12 or Section 5A-12.2 are changed or are not eligible
16 for federal matching funds under Title XIX or XXI of the
17 Social Security Act.

18 (b) The assessment imposed by Section 5A-2 shall not take
19 effect or shall cease to be imposed if the assessment is
20 determined to be an impermissible tax under Title XIX of the
21 Social Security Act. Moneys in the Hospital Provider Fund
22 derived from assessments imposed prior thereto shall be
23 disbursed in accordance with Section 5A-8 to the extent federal
24 financial participation is not reduced due to the
25 impermissibility of the assessments, and any remaining moneys
26 shall be refunded to hospital providers in proportion to the

1 amounts paid by them.

2 (Source: P.A. 94-242, eff. 7-18-05; 95-331, eff. 8-21-07;
3 95-859, eff. 8-19-08.)

4 Section 5-20. The Environmental Protection Act is amended
5 by changing Sections 19.1, 19.3, and 19.4 as follows:

6 (415 ILCS 5/19.1) (from Ch. 111 1/2, par. 1019.1)

7 Sec. 19.1. Legislative findings. The General Assembly
8 finds:

9 (a) that local government units require assistance in
10 financing the construction of wastewater treatment works in
11 order to comply with the State's program of environmental
12 protection and federally mandated requirements;

13 (b) that the federal Water Quality Act of 1987 provides an
14 important source of grant awards to the State for providing
15 assistance to local government units through the Water
16 Pollution Control Loan Program;

17 (c) that local government units and privately owned
18 community water supplies require assistance in financing the
19 construction of their public water supplies to comply with
20 State and federal drinking water laws and regulations;

21 (d) that the federal Safe Drinking Water Act ("SDWA"), P.L.
22 93-523, as now or hereafter amended, provides an important
23 source of capitalization grant awards to the State to provide
24 assistance to local government units and privately owned

1 community water supplies through the Public Water Supply Loan
2 Program;

3 (e) that violations of State and federal drinking water
4 standards threaten the public interest, safety, and welfare,
5 which demands that the Illinois Environmental Protection
6 Agency expeditiously adopt emergency rules to administer the
7 Public Water Supply Loan Program; ~~and~~

8 (f) that the General Assembly agrees with the conclusions
9 and recommendations of the "Report to the Illinois General
10 Assembly on the Issue of Expanding Public Water Supply Loan
11 Eligibility to Privately Owned Community Water Supplies",
12 dated August 1998, including the stated access to the Public
13 Water Supply Loan Program by the privately owned public water
14 supplies so that the long term integrity and viability of the
15 corpus of the Fund will be assured; and -

16 (g) that the American Recovery and Reinvestment Act of 2009
17 provides a source of capitalization grant awards to the State
18 to provide loans and additional subsidization, including, but
19 not limited to, forgiveness of principal, negative interest
20 loans, and grants, to local government units through the Water
21 Pollution Control Loan Program and to local government units
22 and privately owned community water supplies through the Public
23 Water Supply Loan Program.

24 (Source: P.A. 91-52, eff. 6-30-99; 91-501, eff. 8-13-99;
25 92-651, eff. 7-11-02.)

1 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)

2 Sec. 19.3. Water Revolving Fund.

3 (a) There is hereby created within the State Treasury a
4 Water Revolving Fund, consisting of 3 interest-bearing special
5 programs to be known as the Water Pollution Control Loan
6 Program, the Public Water Supply Loan Program, and the Loan
7 Support Program, which shall be used and administered by the
8 Agency.

9 (b) The Water Pollution Control Loan Program shall be used
10 and administered by the Agency to provide assistance for the
11 following purposes:

12 (1) to accept and retain funds from grant awards,
13 appropriations, transfers, and payments of interest and
14 principal;

15 (2) to make direct loans at or below market interest
16 rates to any eligible local government unit to finance the
17 construction of wastewater treatments works;

18 (2.5) with respect to funds provided under the American
19 Recovery and Reinvestment Act of 2009:

20 (A) to make direct loans at or below market
21 interest rates to any eligible local government unit
22 and to provide additional subsidization to any
23 eligible local government unit, including, but not
24 limited to, forgiveness of principal, negative
25 interest rates, and grants;

26 (B) to make direct loans at or below market

1 interest rates to any eligible local government unit to
2 buy or refinance debt obligations for treatment works
3 incurred on or after October 1, 2008; and

4 (C) to provide additional subsidization,
5 including, but not limited to, forgiveness of
6 principal, negative interest rates, and grants for
7 treatment works incurred on or after October 1, 2008;

8 (3) to make direct loans at or below market interest
9 rates to any eligible local government unit to buy or
10 refinance debt obligations for treatment works incurred
11 after March 7, 1985;

12 (3.5) to make direct loans at or below market interest
13 rates for the implementation of a management program
14 established under Section 319 of the Federal Water
15 Pollution Control Act, as amended;

16 (4) to guarantee or purchase insurance for local
17 obligations where such action would improve credit market
18 access or reduce interest rates;

19 (5) as a source of revenue or security for the payment
20 of principal and interest on revenue or general obligation
21 bonds issued by the State or any political subdivision or
22 instrumentality thereof, if the proceeds of such bonds will
23 be deposited in the Fund;

24 (6) to finance the reasonable costs incurred by the
25 Agency in the administration of the Fund; and

26 (7) to transfer funds to the Public Water Supply Loan

1 Program.

2 (c) The Loan Support Program shall be used and administered
3 by the Agency for the following purposes:

4 (1) to accept and retain funds from grant awards and
5 appropriations;

6 (2) to finance the reasonable costs incurred by the
7 Agency in the administration of the Fund, including
8 activities under Title III of this Act, including the
9 administration of the State construction grant program;

10 (3) to transfer funds to the Water Pollution Control
11 Loan Program and the Public Water Supply Loan Program;

12 (4) to accept and retain a portion of the loan
13 repayments;

14 (5) to finance the development of the low interest loan
15 program for public water supply projects;

16 (6) to finance the reasonable costs incurred by the
17 Agency to provide technical assistance for public water
18 supplies; and

19 (7) to finance the reasonable costs incurred by the
20 Agency for public water system supervision programs, to
21 administer or provide for technical assistance through
22 source water protection programs, to develop and implement
23 a capacity development strategy, to delineate and assess
24 source water protection areas, and for an operator
25 certification program in accordance with Section 1452 of
26 the federal Safe Drinking Water Act.

1 (d) The Public Water Supply Loan Program shall be used and
2 administered by the Agency to provide assistance to local
3 government units and privately owned community water supplies
4 for public water supplies for the following public purposes:

5 (1) to accept and retain funds from grant awards,
6 appropriations, transfers, and payments of interest and
7 principal;

8 (2) to make direct loans at or below market interest
9 rates to any eligible local government unit or to any
10 eligible privately owned community water supply to finance
11 the construction of water supplies;

12 (2.5) with respect to funds provided under the American
13 Recovery and Reinvestment Act of 2009:

14 (A) to make direct loans at or below market
15 interest rates to any eligible local government unit or
16 to any eligible privately owned community water
17 supply, and to provide additional subsidization to any
18 eligible local government unit or to any eligible
19 privately owned community water supply, including, but
20 not limited to, forgiveness of principal, negative
21 interest rates, and grants;

22 (B) to buy or refinance the debt obligation of a
23 local government unit for costs incurred on or after
24 October 1, 2008; and

25 (C) to provide additional subsidization,
26 including, but not limited to, forgiveness of

1 principal, negative interest rates, and grants for a
2 local government unit for costs incurred on or after
3 October 1, 2008;

4 (3) to buy or refinance the debt obligation of a local
5 government unit for costs incurred on or after July 17,
6 1997;

7 (4) to guarantee local obligations where such action
8 would improve credit market access or reduce interest
9 rates;

10 (5) as a source of revenue or security for the payment
11 of principal and interest on revenue or general obligation
12 bonds issued by the State or any political subdivision or
13 instrumentality thereof, if the proceeds of such bonds will
14 be deposited into the Fund; and

15 (6) to transfer funds to the Water Pollution Control
16 Loan Program.

17 (e) The Agency is designated as the administering agency of
18 the Fund. The Agency shall submit to the Regional Administrator
19 of the United States Environmental Protection Agency an
20 intended use plan which outlines the proposed use of funds
21 available to the State. The Agency shall take all actions
22 necessary to secure to the State the benefits of the federal
23 Water Pollution Control Act and the federal Safe Drinking Water
24 Act, as now or hereafter amended.

25 (f) The Agency shall have the power to enter into
26 intergovernmental agreements with the federal government or

1 the State, or any instrumentality thereof, for purposes of
2 capitalizing the Water Revolving Fund. Moneys on deposit in the
3 Water Revolving Fund may be used for the creation of reserve
4 funds or pledged funds that secure the obligations of repayment
5 of loans made pursuant to this Section. For the purpose of
6 obtaining capital for deposit into the Water Revolving Fund,
7 the Agency may also enter into agreements with financial
8 institutions and other persons for the purpose of selling loans
9 and developing a secondary market for such loans. The Agency
10 shall have the power to create and establish such reserve funds
11 and accounts as may be necessary or desirable to accomplish its
12 purposes under this subsection and to allocate its available
13 moneys into such funds and accounts. Investment earnings on
14 moneys held in the Water Revolving Fund, including any reserve
15 fund or pledged fund, shall be deposited into the Water
16 Revolving Fund.

17 (Source: P.A. 92-16, 6-28-01; 93-170, eff. 7-10-03.)

18 (415 ILCS 5/19.4) (from Ch. 111 1/2, par. 1019.4)

19 Sec. 19.4. Regulations; priorities.

20 (a) The Agency shall have the authority to promulgate
21 regulations to set forth procedures and criteria concerning
22 loan applications. For units of local government, the
23 regulations shall include, but need not be limited to, the
24 following elements:

25 (1) loan application requirements;

1 (2) determination of credit worthiness of the loan
2 applicant;

3 (3) special loan terms, as necessary, for securing the
4 repayment of the loan;

5 (4) assurance of payment;

6 (5) interest rates;

7 (6) loan support rates;

8 (7) impact on user charges;

9 (8) eligibility of proposed construction;

10 (9) priority of needs;

11 (10) special loan terms for disadvantaged communities;

12 (11) maximum limits on annual distributions of funds to
13 applicants or groups of applicants;

14 (12) penalties for noncompliance with loan
15 requirements and conditions, including stop-work orders,
16 termination, and recovery of loan funds; and

17 (13) indemnification of the State of Illinois and the
18 Agency by the loan recipient.

19 (b) The Agency shall have the authority to promulgate
20 regulations to set forth procedures and criteria concerning
21 loan applications for loan recipients other than units of local
22 government. In addition to all of the elements required for
23 units of local government under subsection (a), the regulations
24 shall include, but need not be limited to, the following
25 elements:

26 (1) types of security required for the loan;

1 (2) types of collateral, as necessary, that can be
2 pledged for the loan; and

3 (3) staged access to fund privately owned community
4 water supplies.

5 (c) The Agency shall develop and maintain a priority list
6 of loan applicants as categorized by need. Priority in making
7 loans from the Public Water Supply Loan Program must first be
8 given to local government units and privately owned community
9 water supplies that need to make capital improvements to
10 protect human health and to achieve compliance with the State
11 and federal primary drinking water standards adopted pursuant
12 to this Act and the federal Safe Drinking Water Act, as now and
13 hereafter amended.

14 (d) The Agency shall have the authority to promulgate
15 regulations to set forth procedures and criteria concerning
16 loan applications for funds provided under the American
17 Recovery and Reinvestment Act of 2009. In addition, due to time
18 constraints in the American Recovery and Reinvestment Act of
19 2009, the Agency shall adopt emergency rules as necessary to
20 allow the timely administration of funds provided under the
21 American Recovery and Reinvestment Act of 2009. Emergency rules
22 adopted under this subsection (d) shall be adopted in
23 accordance with Section 5-45 of the Illinois Administrative
24 Procedure Act.

25 (Source: P.A. 91-36, eff. 6-15-99; 91-52, eff. 6-30-99; 91-501,
26 eff. 8-13-99; 92-16, eff. 6-28-01.)

1 ARTICLE 10. RTA CLEAN/GREEN VEHICLES

2 Section 10-5. The Regional Transportation Authority Act is
3 amended by adding Section 2.32 as follows:

4 (70 ILCS 3615/2.32 new)

5 Sec. 2.32. Clean/green vehicles. Any vehicles purchased
6 from funds made available to the Authority from the
7 Transportation Bond, Series B Fund must incorporate
8 clean/green technologies and alternative fuel technologies, to
9 the extent practical.

10 ARTICLE 99. EFFECTIVE DATE

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