

SB2711



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2711

Introduced 1/28/2014, by Sen. John M. Sullivan

SYNOPSIS AS INTRODUCED:

30 ILCS 105/25

from Ch. 127, par. 161

Amends the State Finance Act. Permits the State Board of Education to make payments for grants provided by the United States Department of Agriculture, the United States Department of Education, or any other federal agency 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. Effective July 1, 2014.

LRB098 14599 OMW 49390 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 25 as follows:

6 (30 ILCS 105/25) (from Ch. 127, par. 161)

7 Sec. 25. Fiscal year limitations.

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

14 (b) Outstanding liabilities as of June 30, payable from
15 appropriations which have otherwise expired, may be paid out of
16 the expiring appropriations during the 2-month period ending at
17 the close of business on August 31. Any service involving
18 professional or artistic skills or any personal services by an
19 employee whose compensation is subject to income tax
20 withholding must be performed as of June 30 of the fiscal year
21 in order to be considered an "outstanding liability as of June
22 30" that is thereby eligible for payment out of the expiring
23 appropriation.

1 (b-1) However, payment of tuition reimbursement claims
2 under Section 14-7.03 or 18-3 of the School Code may be made by
3 the State Board of Education from its appropriations for those
4 respective purposes for any fiscal year, even though the claims
5 reimbursed by the payment may be claims attributable to a prior
6 fiscal year, and payments may be made at the direction of the
7 State Superintendent of Education from the fund from which the
8 appropriation is made without regard to any fiscal year
9 limitations, except as required by subsection (j) of this
10 Section. Beginning on June 30, 2021, payment of tuition
11 reimbursement claims under Section 14-7.03 or 18-3 of the
12 School Code as of June 30, payable from appropriations that
13 have otherwise expired, may be paid out of the expiring
14 appropriation during the 4-month period ending at the close of
15 business on October 31.

16 (b-2) All outstanding liabilities as of June 30, 2010,
17 payable from appropriations that would otherwise expire at the
18 conclusion of the lapse period for fiscal year 2010, and
19 interest penalties payable on those liabilities under the State
20 Prompt Payment Act, may be paid out of the expiring
21 appropriations until December 31, 2010, without regard to the
22 fiscal year in which the payment is made, as long as vouchers
23 for the liabilities are received by the Comptroller no later
24 than August 31, 2010.

25 (b-2.5) All outstanding liabilities as of June 30, 2011,
26 payable from appropriations that would otherwise expire at the

1 conclusion of the lapse period for fiscal year 2011, and
2 interest penalties payable on those liabilities under the State
3 Prompt Payment Act, may be paid out of the expiring
4 appropriations until December 31, 2011, without regard to the
5 fiscal year in which the payment is made, as long as vouchers
6 for the liabilities are received by the Comptroller no later
7 than August 31, 2011.

8 (b-2.6) All outstanding liabilities as of June 30, 2012,
9 payable from appropriations that would otherwise expire at the
10 conclusion of the lapse period for fiscal year 2012, and
11 interest penalties payable on those liabilities under the State
12 Prompt Payment Act, may be paid out of the expiring
13 appropriations until December 31, 2012, without regard to the
14 fiscal year in which the payment is made, as long as vouchers
15 for the liabilities are received by the Comptroller no later
16 than August 31, 2012.

17 (b-2.7) For fiscal years 2012, 2013, and 2014, interest
18 penalties payable under the State Prompt Payment Act associated
19 with a voucher for which payment is issued after June 30 may be
20 paid out of the next fiscal year's appropriation. The future
21 year appropriation must be for the same purpose and from the
22 same fund as the original payment. An interest penalty voucher
23 submitted against a future year appropriation must be submitted
24 within 60 days after the issuance of the associated voucher,
25 and the Comptroller must issue the interest payment within 60
26 days after acceptance of the interest voucher.

1 (b-3) Medical payments may be made by the Department of
2 Veterans' Affairs from its appropriations for those purposes
3 for any fiscal year, without regard to the fact that the
4 medical services being compensated for by such payment may have
5 been rendered in a prior fiscal year, except as required by
6 subsection (j) of this Section. Beginning on June 30, 2021,
7 medical payments payable from appropriations that have
8 otherwise expired may be paid out of the expiring appropriation
9 during the 4-month period ending at the close of business on
10 October 31.

11 (b-4) Medical payments and child care payments may be made
12 by the Department of Human Services (as successor to the
13 Department of Public Aid) from appropriations for those
14 purposes for any fiscal year, without regard to the fact that
15 the medical or child care services being compensated for by
16 such payment may have been rendered in a prior fiscal year; and
17 payments may be made at the direction of the Department of
18 Healthcare and Family Services (or successor agency) from the
19 Health Insurance Reserve Fund without regard to any fiscal year
20 limitations, except as required by subsection (j) of this
21 Section. Beginning on June 30, 2021, medical and child care
22 payments made by the Department of Human Services and payments
23 made at the discretion of the Department of Healthcare and
24 Family Services (or successor agency) from the Health Insurance
25 Reserve Fund and payable from appropriations that have
26 otherwise expired may be paid out of the expiring appropriation

1 during the 4-month period ending at the close of business on
2 October 31.

3 (b-5) Medical payments may be made by the Department of
4 Human Services from its appropriations relating to substance
5 abuse treatment services for any fiscal year, without regard to
6 the fact that the medical services being compensated for by
7 such payment may have been rendered in a prior fiscal year,
8 provided the payments are made on a fee-for-service basis
9 consistent with requirements established for Medicaid
10 reimbursement by the Department of Healthcare and Family
11 Services, except as required by subsection (j) of this Section.
12 Beginning on June 30, 2021, medical payments made by the
13 Department of Human Services relating to substance abuse
14 treatment services payable from appropriations that have
15 otherwise expired may be paid out of the expiring appropriation
16 during the 4-month period ending at the close of business on
17 October 31.

18 (b-6) Additionally, payments may be made by the Department
19 of Human Services from its appropriations, or any other State
20 agency from its appropriations with the approval of the
21 Department of Human Services, from the Immigration Reform and
22 Control Fund for purposes authorized pursuant to the
23 Immigration Reform and Control Act of 1986, without regard to
24 any fiscal year limitations, except as required by subsection
25 (j) of this Section. Beginning on June 30, 2021, payments made
26 by the Department of Human Services from the Immigration Reform

1 and Control Fund for purposes authorized pursuant to the
2 Immigration Reform and Control Act of 1986 payable from
3 appropriations that have otherwise expired may be paid out of
4 the expiring appropriation during the 4-month period ending at
5 the close of business on October 31.

6 (b-7) Payments may be made in accordance with a plan
7 authorized by paragraph (11) or (12) of Section 405-105 of the
8 Department of Central Management Services Law from
9 appropriations for those payments without regard to fiscal year
10 limitations.

11 (b-8) Reimbursements to eligible airport sponsors for the
12 construction or upgrading of Automated Weather Observation
13 Systems may be made by the Department of Transportation from
14 appropriations for those purposes for any fiscal year, without
15 regard to the fact that the qualification or obligation may
16 have occurred in a prior fiscal year, provided that at the time
17 the expenditure was made the project had been approved by the
18 Department of Transportation prior to June 1, 2012 and, as a
19 result of recent changes in federal funding formulas, can no
20 longer receive federal reimbursement.

21 (b-9) Medical payments not exceeding \$150,000,000 may be
22 made by the Department on Aging from its appropriations
23 relating to the Community Care Program for fiscal year 2014,
24 without regard to the fact that the medical services being
25 compensated for by such payment may have been rendered in a
26 prior fiscal year, provided the payments are made on a

1 fee-for-service basis consistent with requirements established
2 for Medicaid reimbursement by the Department of Healthcare and
3 Family Services, except as required by subsection (j) of this
4 Section.

5 (b-10) Payments may be made by the State Board of Education
6 for grants provided by the United States Department of
7 Agriculture, the United States Department of Education, or any
8 other federal agency for any fiscal year without regard to the
9 fact that the services being compensated for by such payment
10 may have been rendered in a prior fiscal year.

11 (c) Further, payments may be made by the Department of
12 Public Health and the Department of Human Services (acting as
13 successor to the Department of Public Health under the
14 Department of Human Services Act) from their respective
15 appropriations for grants for medical care to or on behalf of
16 premature and high-mortality risk infants and their mothers and
17 for grants for supplemental food supplies provided under the
18 United States Department of Agriculture Women, Infants and
19 Children Nutrition Program, for any fiscal year without regard
20 to the fact that the services being compensated for by such
21 payment may have been rendered in a prior fiscal year, except
22 as required by subsection (j) of this Section. Beginning on
23 June 30, 2021, payments made by the Department of Public Health
24 and the Department of Human Services from their respective
25 appropriations for grants for medical care to or on behalf of
26 premature and high-mortality risk infants and their mothers and

1 for grants for supplemental food supplies provided under the
2 United States Department of Agriculture Women, Infants and
3 Children Nutrition Program payable from appropriations that
4 have otherwise expired may be paid out of the expiring
5 appropriations during the 4-month period ending at the close of
6 business on October 31.

7 (d) The Department of Public Health and the Department of
8 Human Services (acting as successor to the Department of Public
9 Health under the Department of Human Services Act) shall each
10 annually submit to the State Comptroller, Senate President,
11 Senate Minority Leader, Speaker of the House, House Minority
12 Leader, and the respective Chairmen and Minority Spokesmen of
13 the Appropriations Committees of the Senate and the House, on
14 or before December 31, a report of fiscal year funds used to
15 pay for services provided in any prior fiscal year. This report
16 shall document by program or service category those
17 expenditures from the most recently completed fiscal year used
18 to pay for services provided in prior fiscal years.

19 (e) The Department of Healthcare and Family Services, the
20 Department of Human Services (acting as successor to the
21 Department of Public Aid), and the Department of Human Services
22 making fee-for-service payments relating to substance abuse
23 treatment services provided during a previous fiscal year shall
24 each annually submit to the State Comptroller, Senate
25 President, Senate Minority Leader, Speaker of the House, House
26 Minority Leader, the respective Chairmen and Minority

1 Spokesmen of the Appropriations Committees of the Senate and
2 the House, on or before November 30, a report that shall
3 document by program or service category those expenditures from
4 the most recently completed fiscal year used to pay for (i)
5 services provided in prior fiscal years and (ii) services for
6 which claims were received in prior fiscal years.

7 (f) The Department of Human Services (as successor to the
8 Department of Public Aid) shall annually submit to the State
9 Comptroller, Senate President, Senate Minority Leader, Speaker
10 of the House, House Minority Leader, and the respective
11 Chairmen and Minority Spokesmen of the Appropriations
12 Committees of the Senate and the House, on or before December
13 31, a report of fiscal year funds used to pay for services
14 (other than medical care) provided in any prior fiscal year.
15 This report shall document by program or service category those
16 expenditures from the most recently completed fiscal year used
17 to pay for services provided in prior fiscal years.

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

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

25 (2) Factors affecting the Department of Healthcare and
26 Family Services' liabilities, including but not limited to

1 numbers of aid recipients, levels of medical service
2 utilization by aid recipients, and inflation in the cost of
3 medical services.

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

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

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

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

17 (2) issuing credits, refunding through inter-fund
18 transfers, or reducing future inter-fund transfers during
19 the subsequent fiscal year for all user agency payments or
20 authorized inter-fund transfers received during the prior
21 fiscal year which were in excess of the final amounts owed
22 by the user agency for that period; and

23 (3) issuing catch-up billings to user agencies during
24 the subsequent fiscal year for amounts remaining due when
25 payments or authorized inter-fund transfers received from
26 the user agency during the prior fiscal year were less than

1 the total amount owed for that period.

2 User agencies are authorized to reimburse internal service
3 funds for catch-up billings by vouchers drawn against their
4 respective appropriations for the fiscal year in which the
5 catch-up billing was issued or by increasing an authorized
6 inter-fund transfer during the current fiscal year. For the
7 purposes of this Act, "inter-fund transfers" means transfers
8 without the use of the voucher-warrant process, as authorized
9 by Section 9.01 of the State Comptroller Act.

10 (i-1) Beginning on July 1, 2021, all outstanding
11 liabilities, not payable during the 4-month lapse period as
12 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and
13 (c) of this Section, that are made from appropriations for that
14 purpose for any fiscal year, without regard to the fact that
15 the services being compensated for by those payments may have
16 been rendered in a prior fiscal year, are limited to only those
17 claims that have been incurred but for which a proper bill or
18 invoice as defined by the State Prompt Payment Act has not been
19 received by September 30th following the end of the fiscal year
20 in which the service was rendered.

21 (j) Notwithstanding any other provision of this Act, the
22 aggregate amount of payments to be made without regard for
23 fiscal year limitations as contained in subsections (b-1),
24 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
25 determined by using Generally Accepted Accounting Principles,
26 shall not exceed the following amounts:

1 (1) \$6,000,000,000 for outstanding liabilities related
2 to fiscal year 2012;

3 (2) \$5,300,000,000 for outstanding liabilities related
4 to fiscal year 2013;

5 (3) \$4,600,000,000 for outstanding liabilities related
6 to fiscal year 2014;

7 (4) \$4,000,000,000 for outstanding liabilities related
8 to fiscal year 2015;

9 (5) \$3,300,000,000 for outstanding liabilities related
10 to fiscal year 2016;

11 (6) \$2,600,000,000 for outstanding liabilities related
12 to fiscal year 2017;

13 (7) \$2,000,000,000 for outstanding liabilities related
14 to fiscal year 2018;

15 (8) \$1,300,000,000 for outstanding liabilities related
16 to fiscal year 2019;

17 (9) \$600,000,000 for outstanding liabilities related
18 to fiscal year 2020; and

19 (10) \$0 for outstanding liabilities related to fiscal
20 year 2021 and fiscal years thereafter.

21 (k) Department of Healthcare and Family Services Medical
22 Assistance Payments.

23 (1) Definition of Medical Assistance.

24 For purposes of this subsection, the term "Medical
25 Assistance" shall include, but not necessarily be
26 limited to, medical programs and services authorized

1 under Titles XIX and XXI of the Social Security Act,
2 the Illinois Public Aid Code, the Children's Health
3 Insurance Program Act, the Covering ALL KIDS Health
4 Insurance Act, the Long Term Acute Care Hospital
5 Quality Improvement Transfer Program Act, and medical
6 care to or on behalf of persons suffering from chronic
7 renal disease, persons suffering from hemophilia, and
8 victims of sexual assault.

9 (2) Limitations on Medical Assistance payments that
10 may be paid from future fiscal year appropriations.

11 (A) The maximum amounts of annual unpaid Medical
12 Assistance bills received and recorded by the
13 Department of Healthcare and Family Services on or
14 before June 30th of a particular fiscal year
15 attributable in aggregate to the General Revenue Fund,
16 Healthcare Provider Relief Fund, Tobacco Settlement
17 Recovery Fund, Long-Term Care Provider Fund, and the
18 Drug Rebate Fund that may be paid in total by the
19 Department from future fiscal year Medical Assistance
20 appropriations to those funds are: \$700,000,000 for
21 fiscal year 2013 and \$100,000,000 for fiscal year 2014
22 and each fiscal year thereafter.

23 (B) Bills for Medical Assistance services rendered
24 in a particular fiscal year, but received and recorded
25 by the Department of Healthcare and Family Services
26 after June 30th of that fiscal year, may be paid from

1 either appropriations for that fiscal year or future
2 fiscal year appropriations for Medical Assistance.
3 Such payments shall not be subject to the requirements
4 of subparagraph (A).

5 (C) Medical Assistance bills received by the
6 Department of Healthcare and Family Services in a
7 particular fiscal year, but subject to payment amount
8 adjustments in a future fiscal year may be paid from a
9 future fiscal year's appropriation for Medical
10 Assistance. Such payments shall not be subject to the
11 requirements of subparagraph (A).

12 (D) Medical Assistance payments made by the
13 Department of Healthcare and Family Services from
14 funds other than those specifically referenced in
15 subparagraph (A) may be made from appropriations for
16 those purposes for any fiscal year without regard to
17 the fact that the Medical Assistance services being
18 compensated for by such payment may have been rendered
19 in a prior fiscal year. Such payments shall not be
20 subject to the requirements of subparagraph (A).

21 (3) Extended lapse period for Department of Healthcare
22 and Family Services Medical Assistance payments.
23 Notwithstanding any other State law to the contrary,
24 outstanding Department of Healthcare and Family Services
25 Medical Assistance liabilities, as of June 30th, payable
26 from appropriations which have otherwise expired, may be

1 paid out of the expiring appropriations during the 6-month
2 period ending at the close of business on December 31st.

3 (1) The changes to this Section made by Public Act 97-691
4 shall be effective for payment of Medical Assistance bills
5 incurred in fiscal year 2013 and future fiscal years. The
6 changes to this Section made by Public Act 97-691 shall not be
7 applied to Medical Assistance bills incurred in fiscal year
8 2012 or prior fiscal years.

9 (m) The Comptroller must issue payments against
10 outstanding liabilities that were received prior to the lapse
11 period deadlines set forth in this Section as soon thereafter
12 as practical, but no payment may be issued after the 4 months
13 following the lapse period deadline without the signed
14 authorization of the Comptroller and the Governor.

15 (Source: P.A. 97-75, eff. 6-30-11; 97-333, eff. 8-12-11;
16 97-691, eff. 7-1-12; 97-732, eff. 6-30-12; 97-932, eff.
17 8-10-12; 98-8, eff. 5-3-13; 98-24, eff. 6-19-13; 98-215, eff.
18 8-9-13; 98-463, eff. 8-16-13; revised 9-9-13.)

19 Section 99. Effective date. This Act takes effect July 1,
20 2014.