

AN ACT concerning State government.

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

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

(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 Adults with Mental Disabilities under the Developmental Disability and Mental Disability Services Act by persons described in Section 2-17 of that Act.

For the fiscal year beginning July 1, 2019, and for each fiscal year thereafter, the budget shall include a separate line item request appropriating moneys to each State agency for: (1) estimated costs for each fund under the State Prompt Payment Act; and (2) estimated costs for each fund under Sections 368a and 370a of the Illinois Insurance Code.

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).

The budget shall contain a section indicating whether there is a projected budget surplus or a projected budget deficit for general funds in the current fiscal year, or whether the current fiscal year's general funds budget is projected to be balanced, based on estimates prepared by the Governor's Office of Management and Budget using actual figures available on the date the budget is submitted. That section shall present this information in both a numerical table format and by way of a narrative description, and shall include information for the proposed upcoming fiscal year, the current fiscal year, and the 2 years prior to the current fiscal year. These estimates must specifically and separately identify any non-recurring revenues, including, but not limited to, borrowed money, money derived by borrowing or transferring from other funds, or any non-operating financial source. None of these specifically and separately identified non-recurring revenues may include any revenue that cannot be realized without a change to law. The table shall show accounts payable at the end of each fiscal year in a manner that specifically and separately identifies any general funds liabilities accrued during the current and prior fiscal years that may be paid from future fiscal years' appropriations, including, but not limited to, costs that may be paid beyond the end of the lapse period as set forth in Section 25 of the State Finance Act and costs incurred by the

Department on Aging. The section shall also include an estimate of individual and corporate income tax overpayments that will not be refunded before the close of the fiscal year.

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. 98-460, eff. 1-1-14; 99-143, eff. 7-27-15.)

Section 10. The State Finance Act is amended by changing Section 13.2 as follows:

(30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

Sec. 13.2. Transfers among line item appropriations.

(a) Transfers among line item appropriations from the same treasury fund for the objects specified in this Section may be made in the manner provided in this Section when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made.

(a-1) No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education except as provided by subsection (a-4).

(a-2) Except as otherwise provided in this Section, transfers may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation

for employee retirement contributions paid by the employer, nor from any appropriation for State contribution for employee group insurance. During State fiscal year 2005, an agency may transfer amounts among its appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems; notwithstanding and in addition to the transfers authorized in subsection (c) of this Section, the fiscal year 2005 transfers authorized in this sentence may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund. During State fiscal year 2007, the Departments of Children and Family Services, Corrections, Human Services, and Juvenile Justice may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal year 2010, the Department of Transportation may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal years 2010 and 2014 only, an agency may transfer amounts among its respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems.

Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund.

(a-2.5) During State fiscal year 2015 only, the State's Attorneys Appellate Prosecutor may transfer amounts among its respective appropriations contained in operational line items within the same treasury fund. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 4% of the aggregate amount appropriated to the State's Attorneys Appellate Prosecutor within the same treasury fund.

(a-3) Further, if an agency receives a separate appropriation for employee retirement contributions paid by the employer, any transfer by that agency into an appropriation for personal services must be accompanied by a corresponding transfer into the appropriation for employee retirement contributions paid by the employer, in an amount sufficient to meet the employer share of the employee contributions required to be remitted to the retirement system.

(a-4) Long-Term Care Rebalancing. The Governor may designate amounts set aside for institutional services appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services to be transferred to all State agencies responsible for the administration of community-based long-term care programs,

including, but not limited to, community-based long-term care programs administered by the Department of Healthcare and Family Services, the Department of Human Services, and the Department on Aging, provided that the Director of Healthcare and Family Services first certifies that the amounts being transferred are necessary for the purpose of assisting persons in or at risk of being in institutional care to transition to community-based settings, including the financial data needed to prove the need for the transfer of funds. The total amounts transferred shall not exceed 4% in total of the amounts appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services for each fiscal year. A notice of the fund transfer must be made to the General Assembly and posted at a minimum on the Department of Healthcare and Family Services website, the Governor's Office of Management and Budget website, and any other website the Governor sees fit. These postings shall serve as notice to the General Assembly of the amounts to be transferred. Notice shall be given at least 30 days prior to transfer.

(b) In addition to the general transfer authority provided under subsection (c), the following agencies have the specific transfer authority granted in this subsection:

The Department of Healthcare and Family Services is authorized to make transfers representing savings attributable to not increasing grants due to the births of additional children from line items for payments of cash grants to line

items for payments for employment and social services for the purposes outlined in subsection (f) of Section 4-2 of the Illinois Public Aid Code.

The Department of Children and Family Services is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following line items among these same line items: Foster Home and Specialized Foster Care and Prevention, Institutions and Group Homes and Prevention, and Purchase of Adoption and Guardianship Services.

The Department on Aging is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following Community Care Program line items among these same line items: purchase of services covered by the Community Care Program and Comprehensive Case Coordination.

The State Treasurer is authorized to make transfers among line item appropriations from the Capital Litigation Trust Fund, with respect to costs incurred in fiscal years 2002 and 2003 only, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

The State Board of Education is authorized to make transfers from line item appropriations within the same

treasury fund for General State Aid, General State Aid - Hold Harmless, and Evidence-Based Funding, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made, to the line item appropriation for Transitional Assistance when the balance remaining in such line item appropriation is insufficient for the purpose for which the appropriation was made.

The State Board of Education is authorized to make transfers between the following line item appropriations within the same treasury fund: Disabled Student Services/Materials (Section 14-13.01 of the School Code), Disabled Student Transportation Reimbursement (Section 14-13.01 of the School Code), Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code), Extraordinary Special Education (Section 14-7.02b of the School Code), Reimbursement for Free Lunch/Breakfast Program, Summer School Payments (Section 18-4.3 of the School Code), and Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code). Such transfers shall be made only when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made and provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

The Department of Healthcare and Family Services is

authorized to make transfers not exceeding 4% of the aggregate amount appropriated to it, within the same treasury fund, among the various line items appropriated for Medical Assistance.

(c) The sum of such transfers for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for the following objects: Personal Services; Extra Help; Student and Inmate Compensation; State Contributions to Retirement Systems; State Contributions to Social Security; State Contribution for Employee Group Insurance; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Operation of Automotive Equipment; Telecommunications Services; Travel and Allowance for Committed, Paroled and Discharged Prisoners; Library Books; Federal Matching Grants for Student Loans; Refunds; Workers' Compensation, Occupational Disease, and Tort Claims; Late Interest Penalties under the State Prompt Payment Act and Sections 368a and 370a of the Illinois Insurance Code; and, in appropriations to institutions of higher education, Awards and Grants. Notwithstanding the above, any amounts appropriated for payment of workers' compensation claims to an agency to which the authority to evaluate, administer and pay such claims has been delegated by the Department of Central Management Services may be transferred to any other expenditure object where such amounts exceed the amount necessary for the payment of such claims.

(c-1) Special provisions for State fiscal year 2003. Notwithstanding any other provision of this Section to the contrary, for State fiscal year 2003 only, transfers among line item appropriations to an agency from the same treasury fund may be made provided that the sum of such transfers for an agency in State fiscal year 2003 shall not exceed 3% of the aggregate amount appropriated to that State agency for State fiscal year 2003 for the following objects: personal services, except that no transfer may be approved which reduces the aggregate appropriations for personal services within an agency; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; and, in appropriations to institutions of higher education, awards and grants.

(c-2) Special provisions for State fiscal year 2005. Notwithstanding subsections (a), (a-2), and (c), for State fiscal year 2005 only, transfers may be made among any line item appropriations from the same or any other treasury fund for any objects or purposes, without limitation, when the

balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that the sum of those transfers by a State agency shall not exceed 4% of the aggregate amount appropriated to that State agency for fiscal year 2005.

(c-3) Special provisions for State fiscal year 2015. Notwithstanding any other provision of this Section, for State fiscal year 2015, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such transfers for a State agency in State fiscal year 2015 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2015. For the purpose of this subsection, "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; lump sum and other purposes; and lump sum operations. For the purpose of this

subsection (c-3), "State agency" does not include the Attorney General, the Secretary of State, the Comptroller, the Treasurer, or the legislative or judicial branches.

(c-4) Special provisions for State fiscal year 2018. Notwithstanding any other provision of this Section, for State fiscal year 2018, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such transfers for a State agency in State fiscal year 2018 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2018. For the purpose of this subsection (c-4), "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; lump sum and other purposes; and lump sum operations. For the purpose of this subsection (c-4), "State agency" does not include the Attorney General, the Secretary of State, the Comptroller, the

Treasurer, or the legislative or judicial branches.

(d) Transfers among appropriations made to agencies of the Legislative and Judicial departments and to the constitutionally elected officers in the Executive branch require the approval of the officer authorized in Section 10 of this Act to approve and certify vouchers. Transfers among appropriations made to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Mathematics and Science Academy and the Board of Higher Education require the approval of the Board of Higher Education and the Governor. Transfers among appropriations to all other agencies require the approval of the Governor.

The officer responsible for approval shall certify that the transfer is necessary to carry out the programs and purposes for which the appropriations were made by the General Assembly and shall transmit to the State Comptroller a certified copy of the approval which shall set forth the specific amounts transferred so that the Comptroller may change his records accordingly. The Comptroller shall furnish the Governor with information copies of all transfers approved for agencies of the Legislative and Judicial departments and transfers approved by the constitutionally elected officials of the Executive branch other than the Governor, showing the amounts

transferred and indicating the dates such changes were entered on the Comptroller's records.

(e) The State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations for General State Aid or Evidence-Based Funding between the Common School Fund and the Education Assistance Fund. With the advice and consent of the Governor's Office of Management and Budget, the State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations between the General Revenue Fund and the Education Assistance Fund for the following programs:

(1) Disabled Student Personnel Reimbursement (Section 14-13.01 of the School Code);

(2) Disabled Student Transportation Reimbursement (subsection (b) of Section 14-13.01 of the School Code);

(3) Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code);

(4) Extraordinary Special Education (Section 14-7.02b of the School Code);

(5) Reimbursement for Free Lunch/Breakfast Programs;

(6) Summer School Payments (Section 18-4.3 of the School Code);

(7) Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code);

(8) Regular Education Reimbursement (Section 18-3 of the School Code); and

(9) Special Education Reimbursement (Section 14-7.03 of the School Code).

(Source: P.A. 99-2, eff. 3-26-15; 100-23, eff. 7-6-17; 100-465, eff. 8-31-17; revised 10-4-17.)

Section 15. The Governor's Office of Management and Budget Act is amended by changing Section 7.3 as follows:

(20 ILCS 3005/7.3)

Sec. 7.3. Annual economic and fiscal policy report. No later than November 15 of each year, the Governor's Office of Management and Budget shall submit an economic and fiscal policy report to the General Assembly. The report must outline the long-term economic and fiscal policy objectives of the State, the economic and fiscal policy intentions for the upcoming fiscal year, and the economic and fiscal policy intentions for the following 4 fiscal years. The report must highlight the total level of revenue, expenditure, deficit or surplus, and debt with respect to each of the reporting categories. The report must include any assumptions concerning tax rates and fees used to determine revenue and expenditures for future fiscal years. The report must include a comparison of the enacted current fiscal year budget to the current fiscal year outlook, and, if applicable, must outline any budgetary shortfalls and fiscal and policy options that the Office will pursue to remedy those budgetary shortfalls. If the projected

expenditures for any of the following 4 fiscal years exceeds the corresponding fiscal year projected revenues, then the report must outline fiscal and policy options that the Office will pursue to remedy the budgetary shortfall. The report must include: (1) an estimate of Late Interest Penalties under the State Prompt Payment Act for the upcoming fiscal year and projections of the same for each of the following 4 fiscal years; and (2) an estimate of interest penalties under Sections 368a and 370a of the Illinois Insurance Code for the upcoming fiscal year and projections of the same for each of the following 4 fiscal years. The report must include an agency categorization key for the reporting categories. The report must be posted on the Office's Internet website and allow members of the public to post comments concerning the report.

(Source: P.A. 98-692, eff. 7-1-14; 99-854, eff. 8-19-16.)

Section 20. The State Prompt Payment Act is amended by changing Section 3-2 as follows:

(30 ILCS 540/3-2)

Sec. 3-2. Beginning July 1, 1993, in any instance where a State official or agency is late in payment of a vendor's bill or invoice for goods or services furnished to the State, as defined in Section 1, properly approved in accordance with rules promulgated under Section 3-3, the State official or agency shall pay interest to the vendor in accordance with the

following:

(1) Any bill, except a bill submitted under Article V of the Illinois Public Aid Code and except as provided under paragraph (1.05) of this Section, approved for payment under this Section must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made. Any bill, except a bill for pharmacy or nursing facility services or goods, and except as provided under paragraph (1.05) of this Section, submitted under Article V of the Illinois Public Aid Code approved for payment under this Section must be paid or the payment issued to the payee within 60 days after receipt of a proper bill or invoice, and, if payment is not issued to the payee within this 60-day period, an interest penalty of 2.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made. Any bill for pharmacy or nursing facility services or goods submitted under Article V of the Illinois Public Aid Code, except as provided under paragraph (1.05) of this Section, and approved for payment under this Section must be paid or the payment issued to the payee within 60 days of receipt

of a proper bill or invoice. If payment is not issued to the payee within this 60-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made.

(1.05) For State fiscal year 2012 and future fiscal years, any bill approved for payment under this Section must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or 0.033% (one-thirtieth of one percent) of any amount approved and unpaid for each day, after the end of this 90-day period, until final payment is made.

(1.1) A State agency shall review in a timely manner each bill or invoice after its receipt. If the State agency determines that the bill or invoice contains a defect making it unable to process the payment request, the agency shall notify the vendor requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under Section 3-3; provided, however, that the notice for construction related bills or invoices must be given not later than 30 days after the bill or invoice was first submitted. The notice shall identify the defect and any additional information necessary to correct the

defect. If one or more items on a construction related bill or invoice are disapproved, but not the entire bill or invoice, then the portion that is not disapproved shall be paid.

(2) Where a State official or agency is late in payment of a vendor's bill or invoice properly approved in accordance with this Act, and different late payment terms are not reduced to writing as a contractual agreement, the State official or agency shall automatically pay interest penalties required by this Section amounting to \$50 or more to the appropriate vendor. Each agency shall be responsible for determining whether an interest penalty is owed and for paying the interest to the vendor. Except as provided in paragraph (4), an individual interest payment amounting to \$5 or less shall not be paid by the State. Interest due to a vendor that amounts to greater than \$5 and less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time. In the event an individual has paid a vendor for services in advance, the provisions of this Section shall apply until payment is made to that individual.

(3) The provisions of Public Act 96-1501 reducing the

interest rate on pharmacy claims under Article V of the Illinois Public Aid Code to 1.0% per month shall apply to any pharmacy bills for services and goods under Article V of the Illinois Public Aid Code received on or after the date 60 days before January 25, 2011 (the effective date of Public Act 96-1501) except as provided under paragraph (1.05) of this Section.

(4) Interest amounting to less than \$5 shall not be paid by the State, except for claims (i) to the Department of Healthcare and Family Services or the Department of Human Services, (ii) pursuant to Article V of the Illinois Public Aid Code, the Covering ALL KIDS Health Insurance Act, or the Children's Health Insurance Program Act, and (iii) made (A) by pharmacies for prescriptive services or (B) by any federally qualified health center for prescriptive services or any other services.

Notwithstanding any provision to the contrary, interest may not be paid under this Act when: (1) a Chief Procurement Officer has voided the underlying contract for goods or services under Article 50 of the Illinois Procurement Code; or (2) the Auditor General is conducting a performance or program audit and the Comptroller has held or is holding for review a related contract or vouchers for payment of goods or services in the exercise of duties under Section 9 of the State Comptroller Act. In such event, interest shall not accrue during the pendency of the Auditor General's review.

Public Act 100-1064

HB5814 Enrolled

LRB100 17197 RJF 32353 b

(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff. 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff. 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932, eff. 8-10-12; 97-1142, eff. 12-28-12.)

Section 99. Effective date. This Act takes effect July 1, 2018.