



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB0197

by Rep. Scott Drury

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/25

from Ch. 127, par. 161

Amends the State Finance Act. Reinserts the provisions of the bill as introduced with changes. Provides that to the extent permitted by federal law, for fiscal year 2017 and each fiscal year thereafter, outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations only during the 2-month period ending at the close of business on August 31, except that claims that have been incurred for which a proper bill or invoice as defined by the State Prompt Payment Act has not been received by August 31 may be paid out of the expiring appropriations only during the period ending at the close of business on October 15. Effective immediately.

LRB099 02691 SXM 22698 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) Notwithstanding any provision of law to the contrary  
6 and to the extent permitted by federal law, for fiscal year  
7 2017 and each fiscal year thereafter, outstanding liabilities  
8 as of June 30, payable from appropriations which have otherwise  
9 expired, may be paid out of the expiring appropriations only  
10 during the 2-month period ending at the close of business on  
11 August 31, except that claims that have been incurred for which  
12 a proper bill or invoice as defined by the State Prompt Payment  
13 Act has not been received by August 31 may be paid out of the  
14 expiring appropriations only during the period ending at the  
15 close of business on October 15. Any service involving  
16 professional or artistic skills or any personal services by an  
17 employee whose compensation is subject to income tax  
18 withholding must be performed as of June 30 of the fiscal year  
19 in order to be considered an "outstanding liability as of June  
20 30" that is thereby eligible for payment out of the expiring  
21 appropriation.

22 (c) Further, payments may be made by the Department of  
23 Public Health and the Department of Human Services (acting as  
24 successor to the Department of Public Health under the  
25 Department of Human Services Act) from their respective  
26 appropriations for grants for medical care to or on behalf of



1 premature and high-mortality risk infants and their mothers and  
2 for grants for supplemental food supplies provided under the  
3 United States Department of Agriculture Women, Infants and  
4 Children Nutrition Program, for any fiscal year without regard  
5 to the fact that the services being compensated for by such  
6 payment may have been rendered in a prior fiscal year, except  
7 as required by subsection (j) of this Section. Beginning on  
8 June 30, 2021, payments made by the Department of Public Health  
9 and the Department of Human Services from their respective  
10 appropriations for grants for medical care to or on behalf of  
11 premature and high-mortality risk infants and their mothers and  
12 for grants for supplemental food supplies provided under the  
13 United States Department of Agriculture Women, Infants and  
14 Children Nutrition Program payable from appropriations that  
15 have otherwise expired may be paid out of the expiring  
16 appropriations during the 4-month period ending at the close of  
17 business on October 31.

18 (d) The Department of Public Health and the Department of  
19 Human Services (acting as successor to the Department of Public  
20 Health under the Department of Human Services Act) shall each  
21 annually submit to the State Comptroller, Senate President,  
22 Senate Minority Leader, Speaker of the House, House Minority  
23 Leader, and the respective Chairmen and Minority Spokesmen of  
24 the Appropriations Committees of the Senate and the House, on  
25 or before December 31, a report of fiscal year funds used to  
26 pay for services provided in any prior fiscal year. This report

1 shall document by program or service category those  
2 expenditures from the most recently completed fiscal year used  
3 to pay for services provided in prior fiscal years.

4 (e) The Department of Healthcare and Family Services, the  
5 Department of Human Services (acting as successor to the  
6 Department of Public Aid), and the Department of Human Services  
7 making fee-for-service payments relating to substance abuse  
8 treatment services provided during a previous fiscal year shall  
9 each annually submit to the State Comptroller, Senate  
10 President, Senate Minority Leader, Speaker of the House, House  
11 Minority Leader, the respective Chairmen and Minority  
12 Spokesmen of the Appropriations Committees of the Senate and  
13 the House, on or before November 30, a report that shall  
14 document by program or service category those expenditures from  
15 the most recently completed fiscal year used to pay for (i)  
16 services provided in prior fiscal years and (ii) services for  
17 which claims were received in prior fiscal years.

18 (f) The Department of Human Services (as successor to the  
19 Department of Public Aid) shall annually submit to the State  
20 Comptroller, Senate President, Senate Minority Leader, Speaker  
21 of the House, House Minority Leader, and the respective  
22 Chairmen and Minority Spokesmen of the Appropriations  
23 Committees of the Senate and the House, on or before December  
24 31, a report of fiscal year funds used to pay for services  
25 (other than medical care) provided in any prior fiscal year.  
26 This report shall document by program or service category those

1 expenditures from the most recently completed fiscal year used  
2 to pay for services provided in prior fiscal years.

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

7 (1) Explanations of the exact causes of the variance  
8 between the previous year's estimated and actual  
9 liabilities.

10 (2) Factors affecting the Department of Healthcare and  
11 Family Services' liabilities, including but not limited to  
12 numbers of aid recipients, levels of medical service  
13 utilization by aid recipients, and inflation in the cost of  
14 medical services.

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

17 (h) As provided in Section 4 of the General Assembly  
18 Compensation Act, any utility bill for service provided to a  
19 General Assembly member's district office for a period  
20 including portions of 2 consecutive fiscal years may be paid  
21 from funds appropriated for such expenditure in either fiscal  
22 year.

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

25 (1) billing user agencies in advance for payments or  
26 authorized inter-fund transfers based on estimated charges

1 for goods or services;

2 (2) issuing credits, refunding through inter-fund  
3 transfers, or reducing future inter-fund transfers during  
4 the subsequent fiscal year for all user agency payments or  
5 authorized inter-fund transfers received during the prior  
6 fiscal year which were in excess of the final amounts owed  
7 by the user agency for that period; and

8 (3) issuing catch-up billings to user agencies during  
9 the subsequent fiscal year for amounts remaining due when  
10 payments or authorized inter-fund transfers received from  
11 the user agency during the prior fiscal year were less than  
12 the total amount owed for that period.

13 User agencies are authorized to reimburse internal service  
14 funds for catch-up billings by vouchers drawn against their  
15 respective appropriations for the fiscal year in which the  
16 catch-up billing was issued or by increasing an authorized  
17 inter-fund transfer during the current fiscal year. For the  
18 purposes of this Act, "inter-fund transfers" means transfers  
19 without the use of the voucher-warrant process, as authorized  
20 by Section 9.01 of the State Comptroller Act.

21 (i-1) Beginning on July 1, 2021, all outstanding  
22 liabilities, not payable during the 4-month lapse period as  
23 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and  
24 (c) of this Section, that are made from appropriations for that  
25 purpose for any fiscal year, without regard to the fact that  
26 the services being compensated for by those payments may have

1 been rendered in a prior fiscal year, are limited to only those  
2 claims that have been incurred but for which a proper bill or  
3 invoice as defined by the State Prompt Payment Act has not been  
4 received by September 30th following the end of the fiscal year  
5 in which the service was rendered.

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

12 (1) \$6,000,000,000 for outstanding liabilities related  
13 to fiscal year 2012;

14 (2) \$5,300,000,000 for outstanding liabilities related  
15 to fiscal year 2013;

16 (3) \$4,600,000,000 for outstanding liabilities related  
17 to fiscal year 2014;

18 (4) \$4,000,000,000 for outstanding liabilities related  
19 to fiscal year 2015;

20 (5) \$3,300,000,000 for outstanding liabilities related  
21 to fiscal year 2016;

22 (6) \$2,600,000,000 for outstanding liabilities related  
23 to fiscal year 2017;

24 (7) \$2,000,000,000 for outstanding liabilities related  
25 to fiscal year 2018;

26 (8) \$1,300,000,000 for outstanding liabilities related

1 to fiscal year 2019;

2 (9) \$600,000,000 for outstanding liabilities related  
3 to fiscal year 2020; and

4 (10) \$0 for outstanding liabilities related to fiscal  
5 year 2021 and fiscal years thereafter.

6 (k) Department of Healthcare and Family Services Medical  
7 Assistance Payments.

8 (1) Definition of Medical Assistance.

9 For purposes of this subsection, the term "Medical  
10 Assistance" shall include, but not necessarily be  
11 limited to, medical programs and services authorized  
12 under Titles XIX and XXI of the Social Security Act,  
13 the Illinois Public Aid Code, the Children's Health  
14 Insurance Program Act, the Covering ALL KIDS Health  
15 Insurance Act, the Long Term Acute Care Hospital  
16 Quality Improvement Transfer Program Act, and medical  
17 care to or on behalf of persons suffering from chronic  
18 renal disease, persons suffering from hemophilia, and  
19 victims of sexual assault.

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

22 (A) The maximum amounts of annual unpaid Medical  
23 Assistance bills received and recorded by the  
24 Department of Healthcare and Family Services on or  
25 before June 30th of a particular fiscal year  
26 attributable in aggregate to the General Revenue Fund,

1 Healthcare Provider Relief Fund, Tobacco Settlement  
2 Recovery Fund, Long-Term Care Provider Fund, and the  
3 Drug Rebate Fund that may be paid in total by the  
4 Department from future fiscal year Medical Assistance  
5 appropriations to those funds are: \$700,000,000 for  
6 fiscal year 2013 and \$100,000,000 for fiscal year 2014  
7 and each fiscal year thereafter.

8 (B) Bills for Medical Assistance services rendered  
9 in a particular fiscal year, but received and recorded  
10 by the Department of Healthcare and Family Services  
11 after June 30th of that fiscal year, may be paid from  
12 either appropriations for that fiscal year or future  
13 fiscal year appropriations for Medical Assistance.  
14 Such payments shall not be subject to the requirements  
15 of subparagraph (A).

16 (C) Medical Assistance bills received by the  
17 Department of Healthcare and Family Services in a  
18 particular fiscal year, but subject to payment amount  
19 adjustments in a future fiscal year may be paid from a  
20 future fiscal year's appropriation for Medical  
21 Assistance. Such payments shall not be subject to the  
22 requirements of subparagraph (A).

23 (D) Medical Assistance payments made by the  
24 Department of Healthcare and Family Services from  
25 funds other than those specifically referenced in  
26 subparagraph (A) may be made from appropriations for

1           those purposes for any fiscal year without regard to  
2           the fact that the Medical Assistance services being  
3           compensated for by such payment may have been rendered  
4           in a prior fiscal year. Such payments shall not be  
5           subject to the requirements of subparagraph (A).

6           (3) Extended lapse period for Department of Healthcare  
7           and Family Services Medical Assistance payments.  
8           Notwithstanding any other State law to the contrary,  
9           outstanding Department of Healthcare and Family Services  
10          Medical Assistance liabilities, as of June 30th, payable  
11          from appropriations which have otherwise expired, may be  
12          paid out of the expiring appropriations during the 6-month  
13          period ending at the close of business on December 31st.

14          (1) The changes to this Section made by Public Act 97-691  
15          shall be effective for payment of Medical Assistance bills  
16          incurred in fiscal year 2013 and future fiscal years. The  
17          changes to this Section made by Public Act 97-691 shall not be  
18          applied to Medical Assistance bills incurred in fiscal year  
19          2012 or prior fiscal years.

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

26          (Source: P.A. 97-75, eff. 6-30-11; 97-333, eff. 8-12-11;



1 97-691, eff. 7-1-12; 97-732, eff. 6-30-12; 97-932, eff.  
2 8-10-12; 98-8, eff. 5-3-13; 98-24, eff. 6-19-13; 98-215, eff.  
3 8-9-13; 98-463, eff. 8-16-13; 98-756, eff. 7-16-14.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.