

AN ACT concerning State government.

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

ARTICLE 1. SHORT TITLE; PURPOSE

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

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

ARTICLE 5. FEDERAL RECOVERY

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

(20 ILCS 2705/2705-585 new)

Sec. 2705-585. Diversity goals.

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

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

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

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

(30 ILCS 105/6z-52)

Sec. 6z-52. Drug Rebate Fund.

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

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

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

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

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

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

(c) The Fund shall consist of the following:

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

to such receipts.

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

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

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

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

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

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

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

Sec. 4. Award of State contracts.

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

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

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

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

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

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

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

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

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

Sec. 5A-10. Applicability.

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

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

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

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

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

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

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

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

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

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

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

amounts paid by them.

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

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

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

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

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

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

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

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

community water supplies through the Public Water Supply Loan Program;

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

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

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

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

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

Sec. 19.3. Water Revolving Fund.

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

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

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

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

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

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

(B) to make direct loans at or below market

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

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

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

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

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

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

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

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

Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 19.4. Regulations; priorities.

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

(1) loan application requirements;

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

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

(4) assurance of payment;

(5) interest rates;

(6) loan support rates;

(7) impact on user charges;

(8) eligibility of proposed construction;

(9) priority of needs;

(10) special loan terms for disadvantaged communities;

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

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

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

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

(1) types of security required for the loan;

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

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

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

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

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

ARTICLE 10. RTA CLEAN/GREEN VEHICLES

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

(70 ILCS 3615/2.32 new)

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

ARTICLE 99. EFFECTIVE DATE

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