



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3110

by Rep. Barbara Flynn Currie - Robert W. Pritchard - Gregory Harris - William Davis - Silvana Tabares, et al.

SYNOPSIS AS INTRODUCED:

New Act

Creates the Social Services Contract Notice Act. Provides that the Act applies only to non-governmental service providers who deliver social services designed to ensure the health, safety, education, or welfare of Illinois residents on behalf of the State through grants, contracts, or agreements with State agencies; and applies regardless of the source of the funds with which the grants, contracts, or agreements are paid, including federal assistance moneys. Provides that the Act does not apply to: (i) grants, contracts, or agreements with State agencies for the primary purpose of delivering or producing goods on behalf of the State; (ii) contracts between the State and its political subdivisions or other governments or between State governmental bodies; or (iii) modifications to contractor payment by the State resulting from the generally accepted accounting principles (GAAP) reconciliation process, the Illinois Grant Funds Recovery Act, or the service provider's underutilization of contract value, as determined by the State. Provides that any contract between a State agency and an authorized service provider may be terminated, suspended, or reduced by either party to the contract upon 30 days prior written notice. Permits the State to immediately terminate a contract for social services if the authorized service provider has made material misrepresentations or material omissions explicitly prohibited under State contracting requirements. Provides that the provision applies to agreements or contracts executed on or after the effective date of the Act. Requires State agencies to notify the Governor and other specified persons in writing of their intention to suspend, terminate, or reduce one or more contracts for social services. Defines terms. Effective immediately.

LRB100 08886 KTG 19029 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the Social
5 Services Contract Notice Act.

6 Section 5. Purpose and policy.

7 (a) Recognizing that the loss of vital social services
8 causes turmoil and harm for the people of our State, the
9 General Assembly supports: responsible fiscal foresight and
10 planning to prevent such losses, advance notice to the public
11 when losses to vital services are unavoidable, and addressing
12 uncertainty in the State's contracting practices, all of which
13 affect service providers' fiscal stability, employment
14 capacity, and economic contributions to the State.

15 (b) It is the purpose of this Act and is declared to be the
16 policy of the State that the principles of fair and responsible
17 business practices shall be applicable to provider agencies
18 delivering social services on behalf of the State; and that
19 Illinoisans shall be advised in advance of service reductions
20 to programs that are designed to ensure the health, safety,
21 education, or welfare of Illinois residents.

22 Section 10. Definitions. As used in this Act:

1 (a) "Authorized service provider" means a non-governmental
2 entity responsible for providing services on behalf of the
3 State of Illinois under a contract with a State agency.

4 (b) "Contract" means all types of State agreements for
5 social service delivery, regardless of what they may be called,
6 including grants, fee-for-service, fixed rate,
7 cost-reimbursement, purchase of care, renewals, and
8 amendments. It does not include agreements procured for goods.

9 (c) "Direct services" means those services that are
10 provided on behalf of Illinois residents by an authorized
11 service provider.

12 (d) "Reduction of contract" means a decrease in the defined
13 or estimated contract value. This is not inclusive of
14 adjustments made by the State through the generally accepted
15 accounting principles (GAAP) reconciliation process, under the
16 Illinois Grant Funds Recovery Act, or on account of the service
17 provider's underutilization of contract value, as determined
18 by the State.

19 (e) "Social services" or "services" means direct services
20 that are provided by a State agency through a grant awarded to
21 or service agreement or contract with an authorized service
22 provider and that are designed to ensure the health, safety,
23 education, or welfare of Illinois residents.

24 (f) "State agency" means:

25 (1) the Department on Aging or its successor agency;

26 (2) the Department of Children and Family Services or

1 its successor agency;

2 (3) the Department of Healthcare and Family Services or
3 its successor agency;

4 (4) the Department of Human Services or its successor
5 agency;

6 (5) the Department of Public Health or its successor
7 agency;

8 (6) the Department of Corrections or its successor
9 agency;

10 (7) the Department of Juvenile Justice or its successor
11 agency;

12 (8) the Illinois Criminal Justice Information
13 Authority or its successor agency;

14 (9) the Illinois State Board of Education or its
15 successor agency;

16 (10) the Illinois Community College Board or its
17 successor agency;

18 (11) the Illinois Housing Development Authority or its
19 successor agency;

20 (12) the Department of Employment Security or its
21 successor agency;

22 (13) the Department of Veterans' Affairs or its
23 successor agency;

24 (14) the Department of Military Affairs or its
25 successor agency;

26 (15) the Illinois Emergency Management Agency or its

1 successor agency;

2 (16) the Department of Commerce and Economic
3 Opportunity or its successor agency;

4 (17) any commission, board, or authority within the
5 State agencies or successor agencies listed in this
6 Section; or

7 (18) any State agency, or its successor agency,
8 designated to enter into contracts with one or more
9 authorized service providers on behalf of a State agency
10 subject to this Act.

11 Section 15. Application.

12 (a) This Act applies only to non-governmental service
13 providers who deliver social services designed to ensure the
14 health, safety, education, or welfare of Illinois residents on
15 behalf of the State through grants, contracts, or agreements
16 with State agencies. This Act does not apply to:

17 (1) Grants, contracts, or agreements with State
18 agencies for the primary purpose of delivering or producing
19 goods on behalf of the State.

20 (2) Contracts between the State and its political
21 subdivisions or other governments or between State
22 governmental bodies.

23 (3) Modifications to contractor payment by the State
24 resulting from the GAAP reconciliation process, the
25 Illinois Grant Funds Recovery Act, or the service

1 provider's underutilization of contract value, as
2 determined by the State.

3 (b) This Act applies regardless of the source of the funds
4 with which the grants, contracts, or agreements are paid,
5 including federal assistance moneys.

6 Section 20. Reduction of contract.

7 (a) Any contract between a State agency and an authorized
8 service provider for the provision of social services may be
9 terminated, suspended, or reduced by either party to the
10 contract for any or no reason upon 30 days prior written notice
11 to the other party.

12 (b) A written notice issued by a State agency pursuant to
13 subsection (a) shall include the date upon which the authorized
14 service provider must submit its final invoice to the State
15 agency for payment of services rendered.

16 (c) Notwithstanding subsections (a) and (b), the State
17 agency may, upon written notice, immediately terminate a
18 contract for social services if the authorized service provider
19 has made material misrepresentations or material omissions
20 explicitly prohibited under State contracting requirements.

21 (d) Nothing in this Section affects the parties' ability to
22 immediately terminate a contract for breach of contract or if
23 the actions or inactions of the service provider, its agents,
24 employees, or subcontractors have caused, or reasonably could
25 cause, jeopardy to health, safety, or property.

1 (e) This Section applies to agreements or contracts
2 executed on or after the effective date of this Act.

3 Section 25. Notice.

4 (a) If a State agency that provides social services to
5 Illinois residents through a contract with an authorized
6 service provider intends to suspend, terminate, or reduce the
7 amount of one or more contracts for a particular social
8 services program due to the failure of appropriation or a
9 reduction in the amount of available funds to support the
10 program, the State agency shall notify the Governor, the
11 Speaker of the House of Representatives, the Minority Leader of
12 the House of Representatives, the President of the Senate, and
13 the Minority Leader of the Senate in writing of its intent to
14 suspend, terminate, or reduce one or more contracts. Such
15 notice shall be provided no less than 45 days before the State
16 agency suspends, terminates, or reduces the contract and must
17 include the level of appropriations required to prevent any
18 suspension, termination, or reduction.

19 (b) This Section applies to contracts entered before, on,
20 or after the effective date of this Act.

21 (c) Failure of a State agency to submit notice to the
22 General Assembly as required under this Section shall not
23 prevent termination, suspension, or reduction of a contract
24 entered into prior to the effective date of this Act.

1 Section 30. Waiver. The requirements of this Act may not be
2 waived by agreement.

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