



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0749

Introduced 1/30/2017, by Sen. Jason A. Barickman

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Officials and Employees Ethics Act. Provides that during the period beginning September 1 of the year of a general election and ending the day after the general election, the proper name or image of any executive branch constitutional officer or member of the General Assembly shall not be included in a public announcement on behalf of an executive branch constitutional officer, member of the General Assembly, or State agency related to any contract or grant awarded by a State agency. Amends the State Finance Act. Provides that except as otherwise provided by law, court order, or the terms or conditions of a settlement, award, gift, donation, or bequest, non-appropriated funds may not be used to create new programs or expand existing programs. Provides that if any State agency receives a grant or contract from itself from appropriated funds, the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted. Amends the Illinois Grant Funds Recovery Act. Provides that the Governor's Office of Management and Budget shall convene a subcommittee of the Illinois Single Audit Commission to provide recommendations to the General Assembly regarding the adoption of legislation. Amends the Grant Accountability and Transparency Act. Sets forth provisions concerning the stop payment system. Modifies a Section concerning the adoption of supplemental rules by the Governor's Office of Management and Budget. Modifies a Section concerning the annual report submitted by the Governor's Office of Management and Budget. Provides requirements for documentation, certification, and reporting of awarded grants. Sets forth provisions concerning the travel costs incurred by the employees of the recipient or subrecipient of an awarded grant who are in travel status on official business of the recipient or subrecipient. Makes conforming changes in the Governor's Office of Management and Budget Act and the State Comptroller Act. Effective immediately.

LRB100 05859 RJF 15884 b

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 5. The State Officials and Employees Ethics Act is
5 amended by changing Section 5-20 as follows:

6 (5 ILCS 430/5-20)

7 Sec. 5-20. Public service announcements; other promotional
8 material.

9 (a) Beginning January 1, 2004, no public service
10 announcement or advertisement that is on behalf of any State
11 administered program and contains the proper name, image, or
12 voice of any executive branch constitutional officer or member
13 of the General Assembly shall be (i) broadcast or aired on
14 radio or television, (ii) printed in a commercial newspaper or
15 a commercial magazine, or (iii) displayed on a billboard or
16 electronic message board at any time.

17 (b) The proper name or image of any executive branch
18 constitutional officer or member of the General Assembly may
19 not appear on any (i) bumper stickers, (ii) commercial
20 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
21 stickers, and (vi) other similar promotional items, that are
22 not in furtherance of the person's official State duties or
23 governmental and public service functions, if designed, paid

1 for, prepared, or distributed using public dollars. This
2 subsection does not apply to stocks of items existing on the
3 effective date of this amendatory Act of the 93rd General
4 Assembly.

5 (b-5) During the period beginning September 1 of the year
6 of a general election and ending the day after the general
7 election, the proper name or image of any executive branch
8 constitutional officer or member of the General Assembly shall
9 not be included in a public announcement on behalf of an
10 officer, member, or State agency related to any contract or
11 grant awarded by a State agency. Nothing in this subsection
12 (b-5) prohibits a State agency from issuing notification of the
13 award or grant of a contract, provided the notification does
14 not include the proper name or image of any executive branch
15 constitutional officer or member of the General Assembly. This
16 subsection (b-5) does not prohibit an executive branch
17 constitutional officer or member of the General Assembly from
18 attending any public or private event associated with the award
19 or grant of contract or from being included on a list of
20 attendees disseminated to the public.

21 (c) This Section does not apply to communications funded
22 through expenditures required to be reported under Article 9 of
23 the Election Code.

24 (Source: P.A. 97-13, eff. 6-16-11.)

25 Section 10. The State Comptroller Act is amended by adding

1 Section 28 as follows:

2 (15 ILCS 405/28 new)

3 Sec. 28. Stop payment system.

4 (a) In this Section, "recipient", "State grant-making
5 agency", and "subrecipient" have the same definition as that in
6 Section 15 of the Grant Accountability and Transparency Act.

7 (b) On or before July 1, 2018, the Office of the
8 Comptroller shall, in conjunction with the Governor's Office of
9 Management and Budget, adopt rules pertaining to the following:

10 (1) Factors to be considered in determining whether to
11 issue a stop payment order;

12 (2) Factors to be considered in determining whether a
13 stop payment order should be lifted; and

14 (3) Procedures for notification to the recipient or
15 subrecipient of the issuance of a stop payment order, the
16 lifting of a stop payment order, and any other related
17 information.

18 (c) On or before July 1, 2019, the Office of the
19 Comptroller shall have established a stop payment system that
20 will cause the temporary or permanent cessation of payments to
21 a recipient or subrecipient in specified circumstances. Such a
22 temporary or permanent cessation of payments will occur
23 pursuant to a stop payment order issued by a State grant-making
24 agency and implemented by the Office of the Comptroller.

25 (d) The Office of the Comptroller shall maintain a file

1 pertaining to all stop payment orders which shall include, at a
2 minimum:

3 (1) The notice to the recipient or subrecipient that a
4 stop payment order has been issued. The notice shall
5 include:

6 (A) The name of the grant.

7 (B) The grant number.

8 (C) The name of the State agency that issued the
9 grant.

10 (D) The reason for the stop payment order.

11 (E) Notification that the stop payment order
12 applies to all grants and contracts issued by the
13 State.

14 (F) Any other relevant information.

15 (2) The order lifting the stop payment order, if
16 applicable.

17 Section 15. The Governor's Office of Management and Budget
18 Act is amended by adding Section 2.11 and 2.12 as follows:

19 (20 ILCS 3005/2.11 new)

20 Sec. 2.11. Stop payment orders.

21 (a) In this Section, "recipient", "State grant-making
22 agency", and "subrecipient" have the same definition as that in
23 Section 15 of the Grant Accountability and Transparency Act.

24 (b) Pursuant to the Grant Accountability and Transparency

1 Act, the Governor's Office of Management and Budget shall adopt
2 rules pertaining to the issuance of stop payment orders that
3 will cause the temporary or permanent cessation of payments to
4 a recipient or subrecipient in specified circumstances. Stop
5 payment orders shall be issued by a State grant-making agency
6 and implemented by the Office of the Comptroller.

7 (20 ILCS 3005/2.12 new)

8 Sec. 2.12. Subcommittee recommendations.

9 Pursuant to Section 15.5 of the Grant Funds Recovery Act,
10 the Governor's Office of Management and Budget, in conjunction
11 with the Illinois Single Audit Commission, shall convene a
12 subcommittee of the Commission to research and provide
13 recommendations to the General Assembly regarding the adoption
14 of legislation, in accordance with the federal Improper
15 Payments Elimination and Recovery Improvement Act of 2012. The
16 subcommittee's recommendations shall be included in the Annual
17 Report of the Commission to be submitted to the General
18 Assembly on January 1, 2018.

19 Section 20. The State Finance Act is amended by changing
20 Sections 25 and 35 as follows:

21 (30 ILCS 105/25) (from Ch. 127, par. 161)

22 Sec. 25. Fiscal year limitations.

23 (a) All appropriations shall be available for expenditure

1 for the fiscal year or for a lesser period if the Act making
2 that appropriation so specifies. A deficiency or emergency
3 appropriation shall be available for expenditure only through
4 June 30 of the year when the Act making that appropriation is
5 enacted unless that Act otherwise provides. Except as otherwise
6 provided by law, court order, or the terms or conditions of a
7 settlement, award, gift, donation, or bequest,
8 non-appropriated funds may not be used to create new programs
9 or expand existing programs.

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

20 (b-1) However, payment of tuition reimbursement claims
21 under Section 14-7.03 or 18-3 of the School Code may be made by
22 the State Board of Education from its appropriations for those
23 respective purposes for any fiscal year, even though the claims
24 reimbursed by the payment may be claims attributable to a prior
25 fiscal year, and payments may be made at the direction of the
26 State Superintendent of Education from the fund from which the

1 appropriation is made without regard to any fiscal year
2 limitations, except as required by subsection (j) of this
3 Section. Beginning on June 30, 2021, payment of tuition
4 reimbursement claims under Section 14-7.03 or 18-3 of the
5 School Code as of June 30, payable from appropriations that
6 have otherwise expired, may be paid out of the expiring
7 appropriation during the 4-month period ending at the close of
8 business on October 31.

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

18 (b-2.5) All outstanding liabilities as of June 30, 2011,
19 payable from appropriations that would otherwise expire at the
20 conclusion of the lapse period for fiscal year 2011, and
21 interest penalties payable on those liabilities under the State
22 Prompt Payment Act, may be paid out of the expiring
23 appropriations until December 31, 2011, without regard to the
24 fiscal year in which the payment is made, as long as vouchers
25 for the liabilities are received by the Comptroller no later
26 than August 31, 2011.

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

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

20 (b-3) Medical payments may be made by the Department of
21 Veterans' Affairs from its appropriations for those purposes
22 for any fiscal year, without regard to the fact that the
23 medical services being compensated for by such payment may have
24 been rendered in a prior fiscal year, except as required by
25 subsection (j) of this Section. Beginning on June 30, 2021,
26 medical payments payable from appropriations that have

1 otherwise expired may be paid out of the expiring appropriation
2 during the 4-month period ending at the close of business on
3 October 31.

4 (b-4) Medical payments and child care payments may be made
5 by the Department of Human Services (as successor to the
6 Department of Public Aid) from appropriations for those
7 purposes for any fiscal year, without regard to the fact that
8 the medical or child care services being compensated for by
9 such payment may have been rendered in a prior fiscal year; and
10 payments may be made at the direction of the Department of
11 Healthcare and Family Services (or successor agency) from the
12 Health Insurance Reserve Fund without regard to any fiscal year
13 limitations, except as required by subsection (j) of this
14 Section. Beginning on June 30, 2021, medical and child care
15 payments made by the Department of Human Services and payments
16 made at the discretion of the Department of Healthcare and
17 Family Services (or successor agency) from the Health Insurance
18 Reserve Fund and payable from appropriations that have
19 otherwise expired may be paid out of the expiring appropriation
20 during the 4-month period ending at the close of business on
21 October 31.

22 (b-5) Medical payments may be made by the Department of
23 Human Services from its appropriations relating to substance
24 abuse treatment services for any fiscal year, without regard to
25 the fact that the medical services being compensated for by
26 such payment may have been rendered in a prior fiscal year,

1 provided the payments are made on a fee-for-service basis
2 consistent with requirements established for Medicaid
3 reimbursement by the Department of Healthcare and Family
4 Services, except as required by subsection (j) of this Section.
5 Beginning on June 30, 2021, medical payments made by the
6 Department of Human Services relating to substance abuse
7 treatment services 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-6) Additionally, payments may be made by the Department
12 of Human Services from its appropriations, or any other State
13 agency from its appropriations with the approval of the
14 Department of Human Services, from the Immigration Reform and
15 Control Fund for purposes authorized pursuant to the
16 Immigration Reform and Control Act of 1986, without regard to
17 any fiscal year limitations, except as required by subsection
18 (j) of this Section. Beginning on June 30, 2021, payments made
19 by the Department of Human Services from the Immigration Reform
20 and Control Fund for purposes authorized pursuant to the
21 Immigration Reform and Control Act of 1986 payable from
22 appropriations that have otherwise expired may be paid out of
23 the expiring appropriation during the 4-month period ending at
24 the close of business on October 31.

25 (b-7) Payments may be made in accordance with a plan
26 authorized by paragraph (11) or (12) of Section 405-105 of the

1 Department of Central Management Services Law from
2 appropriations for those payments without regard to fiscal year
3 limitations.

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

14 (b-9) Medical payments not exceeding \$150,000,000 may be
15 made by the Department on Aging from its appropriations
16 relating to the Community Care Program for fiscal year 2014,
17 without regard to the fact that the medical services being
18 compensated for by such payment may have been rendered in a
19 prior fiscal year, provided the payments are made on a
20 fee-for-service basis consistent with requirements established
21 for Medicaid reimbursement by the Department of Healthcare and
22 Family Services, except as required by subsection (j) of this
23 Section.

24 (c) Further, payments may be made by the Department of
25 Public Health and the Department of Human Services (acting as
26 successor to the Department of Public Health under the

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

20 (d) The Department of Public Health and the Department of
21 Human Services (acting as successor to the Department of Public
22 Health under the Department of Human Services Act) shall each
23 annually submit to the State Comptroller, Senate President,
24 Senate Minority Leader, Speaker of the House, House Minority
25 Leader, and the respective Chairmen and Minority Spokesmen of
26 the Appropriations Committees of the Senate and the House, on

1 or before December 31, a report of fiscal year funds used to
2 pay for services provided in any prior fiscal year. This report
3 shall document by program or service category those
4 expenditures from the most recently completed fiscal year used
5 to pay for services provided in prior fiscal years.

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

20 (f) The Department of Human Services (as successor to the
21 Department of Public Aid) shall annually submit to the State
22 Comptroller, Senate President, Senate Minority Leader, Speaker
23 of the House, House Minority Leader, and the respective
24 Chairmen and Minority Spokesmen of the Appropriations
25 Committees of the Senate and the House, on or before December
26 31, a report of fiscal year funds used to pay for services

1 (other than medical care) provided in any prior fiscal year.
2 This report shall document by program or service category those
3 expenditures from the most recently completed fiscal year used
4 to pay for services provided in prior fiscal years.

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

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

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

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

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

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

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

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

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

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

23 (i-1) Beginning on July 1, 2021, all outstanding
24 liabilities, not payable during the 4-month lapse period as
25 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and
26 (c) of this Section, that are made from appropriations for that

1 purpose for any fiscal year, without regard to the fact that
2 the services being compensated for by those payments may have
3 been rendered in a prior fiscal year, are limited to only those
4 claims that have been incurred but for which a proper bill or
5 invoice as defined by the State Prompt Payment Act has not been
6 received by September 30th following the end of the fiscal year
7 in which the service was rendered.

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

14 (1) \$6,000,000,000 for outstanding liabilities related
15 to fiscal year 2012;

16 (2) \$5,300,000,000 for outstanding liabilities related
17 to fiscal year 2013;

18 (3) \$4,600,000,000 for outstanding liabilities related
19 to fiscal year 2014;

20 (4) \$4,000,000,000 for outstanding liabilities related
21 to fiscal year 2015;

22 (5) \$3,300,000,000 for outstanding liabilities related
23 to fiscal year 2016;

24 (6) \$2,600,000,000 for outstanding liabilities related
25 to fiscal year 2017;

26 (7) \$2,000,000,000 for outstanding liabilities related

1 to fiscal year 2018;

2 (8) \$1,300,000,000 for outstanding liabilities related
3 to fiscal year 2019;

4 (9) \$600,000,000 for outstanding liabilities related
5 to fiscal year 2020; and

6 (10) \$0 for outstanding liabilities related to fiscal
7 year 2021 and fiscal years thereafter.

8 (k) Department of Healthcare and Family Services Medical
9 Assistance Payments.

10 (1) Definition of Medical Assistance.

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

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

24 (A) The maximum amounts of annual unpaid Medical
25 Assistance bills received and recorded by the
26 Department of Healthcare and Family Services on or

1 before June 30th of a particular fiscal year
2 attributable in aggregate to the General Revenue Fund,
3 Healthcare Provider Relief Fund, Tobacco Settlement
4 Recovery Fund, Long-Term Care Provider Fund, and the
5 Drug Rebate Fund that may be paid in total by the
6 Department from future fiscal year Medical Assistance
7 appropriations to those funds are: \$700,000,000 for
8 fiscal year 2013 and \$100,000,000 for fiscal year 2014
9 and each fiscal year thereafter.

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

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

25 (D) Medical Assistance payments made by the
26 Department of Healthcare and Family Services from

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

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

16 (1) The changes to this Section made by Public Act 97-691
17 shall be effective for payment of Medical Assistance bills
18 incurred in fiscal year 2013 and future fiscal years. The
19 changes to this Section made by Public Act 97-691 shall not be
20 applied to Medical Assistance bills incurred in fiscal year
21 2012 or prior fiscal years.

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

1 authorization of the Comptroller and the Governor.

2 (Source: P.A. 97-75, eff. 6-30-11; 97-333, eff. 8-12-11;
3 97-691, eff. 7-1-12; 97-732, eff. 6-30-12; 97-932, eff.
4 8-10-12; 98-8, eff. 5-3-13; 98-24, eff. 6-19-13; 98-215, eff.
5 8-9-13; 98-463, eff. 8-16-13; 98-756, eff. 7-16-14.)

6 (30 ILCS 105/35) (from Ch. 127, par. 167.03)

7 Sec. 35. As used in this Section, "state agency" is defined
8 as provided in the Illinois State Auditing Act, except that
9 this Section does not apply to state colleges and universities,
10 the Illinois Mathematics and Science Academy, and their
11 respective governing boards.

12 When any State agency receives a grant or contract from
13 itself or another State agency from appropriated funds the
14 recipient agency shall be restricted in the expenditure of
15 these funds to the period during which the grantor agency was
16 so restricted and to the terms and conditions under which such
17 other agency received the appropriation, and to the terms,
18 conditions and limitations of the appropriations to the other
19 agency. For purposes of this Section, "interfund transfer"
20 means the transfer of monies from one fund listed in the State
21 Treasury to another fund. An "interfund transfer" shall not be
22 considered an expenditure for purposes of this Section. No
23 State agency may accept or expend funds under a grant or
24 contract for any purpose, program or activity not within the
25 scope of the agency's powers and duties under Illinois law.

1 (Source: P.A. 88-9.)

2 Section 25. The Illinois Grant Funds Recovery Act is
3 amended by adding Section 15.5 as follows:

4 (30 ILCS 705/15.5 new)

5 Sec. 15.5. Recommendations of the Illinois Single Audit
6 Commission regarding the elimination and recovery of improper
7 payments. The Illinois Single Audit Commission, in conjunction
8 with the Governor's Office of Management and Budget, shall
9 convene a subcommittee of the Commission to research and
10 provide recommendations to the General Assembly regarding the
11 adoption of legislation in accordance with the federal Improper
12 Payments Elimination and Recovery Improvement Act of 2012. The
13 subcommittee's recommendations shall be included in the Annual
14 Report of the Commission to be submitted to the General
15 Assembly on January 1, 2018.

16 Section 30. The Grant Accountability and Transparency Act
17 is amended by changing Sections 15, 25, 50, 55, and 95 and by
18 adding Sections 105, 110, 115, 120, 125, and 130 as follows:

19 (30 ILCS 708/15)

20 (Section scheduled to be repealed on July 16, 2020)

21 Sec. 15. Definitions. As used in this Act:

22 "Allowable cost" means a cost allowable to a project if:

1 (1) the costs are reasonable and necessary for the
2 performance of the award;

3 (2) the costs are allocable to the specific project;

4 (3) the costs are treated consistently in like
5 circumstances to both federally-financed and other
6 activities of the non-federal entity;

7 (4) the costs conform to any limitations of the cost
8 principles or the sponsored agreement;

9 (5) the costs are accorded consistent treatment; a cost
10 may not be assigned to a State or federal award as a direct
11 cost if any other cost incurred for the same purpose in
12 like circumstances has been allocated to the award as an
13 indirect cost;

14 (6) the costs are determined to be in accordance with
15 generally accepted accounting principles;

16 (7) the costs are not included as a cost or used to
17 meet federal cost-sharing or matching requirements of any
18 other program in either the current or prior period;

19 (8) the costs of one State or federal grant are not
20 used to meet the match requirements of another State or
21 federal grant; and

22 (9) the costs are adequately documented.

23 "Auditee" means any non-federal entity that expends State
24 or federal awards that must be audited.

25 "Auditor" means an auditor who is a public accountant or a
26 federal, State, or local government audit organization that

1 meets the general standards specified in generally-accepted
2 government auditing standards. "Auditor" does not include
3 internal auditors of nonprofit organizations.

4 "Auditor General" means the Auditor General of the State of
5 Illinois.

6 "Award" means financial assistance that provides support
7 or stimulation to accomplish a public purpose. "Awards" include
8 grants and other agreements in the form of money, or property
9 in lieu of money, by the State or federal government to an
10 eligible recipient. "Award" does not include: technical
11 assistance that provides services instead of money; other
12 assistance in the form of loans, loan guarantees, interest
13 subsidies, or insurance; direct payments of any kind to
14 individuals; or contracts that must be entered into and
15 administered under State or federal procurement laws and
16 regulations.

17 "Budget" means the financial plan for the project or
18 program that the awarding agency or pass-through entity
19 approves during the award process or in subsequent amendments
20 to the award. It may include the State or federal and
21 non-federal share or only the State or federal share, as
22 determined by the awarding agency or pass-through entity.

23 "Catalog of Federal Domestic Assistance" or "CFDA" means a
24 database that helps the federal government track all programs
25 it has domestically funded.

26 "Catalog of Federal Domestic Assistance number" or "CFDA

1 number" means the number assigned to a federal program in the
2 CFDA.

3 "Catalog of State Financial Assistance" means the single,
4 authoritative, statewide, comprehensive source document of
5 State financial assistance program information maintained by
6 the Governor's Office of Management and Budget.

7 "Catalog of State Financial Assistance Number" means the
8 number assigned to a State program in the Catalog of State
9 Financial Assistance. The first 3 digits represent the State
10 agency number and the last 4 digits represent the program.

11 "Cluster of programs" means a grouping of closely related
12 programs that share common compliance requirements. The types
13 of clusters of programs are research and development, student
14 financial aid, and other clusters. A "cluster of programs"
15 shall be considered as one program for determining major
16 programs and, with the exception of research and development,
17 whether a program-specific audit may be elected.

18 "Cognizant agency for audit" means the federal agency
19 designated to carry out the responsibilities described in 2 CFR
20 200.513(a).

21 "Contract" means a legal instrument by which a non-federal
22 entity purchases property or services needed to carry out the
23 project or program under an award. "Contract" does not include
24 a legal instrument, even if the non-federal entity considers it
25 a contract, when the substance of the transaction meets the
26 definition of an award or subaward.

1 "Contractor" means an entity that receives a contract.

2 "Cooperative agreement" means a legal instrument of
3 financial assistance between an awarding agency or
4 pass-through entity and a non-federal entity that:

5 (1) is used to enter into a relationship with the
6 principal purpose of transferring anything of value from
7 the awarding agency or pass-through entity to the
8 non-federal entity to carry out a public purpose authorized
9 by law, but is not used to acquire property or services for
10 the awarding agency's or pass-through entity's direct
11 benefit or use; and

12 (2) is distinguished from a grant in that it provides
13 for substantial involvement between the awarding agency or
14 pass-through entity and the non-federal entity in carrying
15 out the activity contemplated by the award.

16 "Cooperative agreement" does not include a cooperative
17 research and development agreement, nor an agreement that
18 provides only direct cash assistance to an individual, a
19 subsidy, a loan, a loan guarantee, or insurance.

20 "Corrective action" means action taken by the auditee that
21 (i) corrects identified deficiencies, (ii) produces
22 recommended improvements, or (iii) demonstrates that audit
23 findings are either invalid or do not warrant auditee action.

24 "Cost objective" means a program, function, activity,
25 award, organizational subdivision, contract, or work unit for
26 which cost data is desired and for which provision is made to

1 accumulate and measure the cost of processes, products, jobs,
2 and capital projects. A "cost objective" may be a major
3 function of the non-federal entity, a particular service or
4 project, an award, or an indirect cost activity.

5 "Cost sharing" means the portion of project costs not paid
6 by State or federal funds, unless otherwise authorized by
7 statute.

8 "Development" is the systematic use of knowledge and
9 understanding gained from research directed toward the
10 production of useful materials, devices, systems, or methods,
11 including design and development of prototypes and processes.

12 "Data Universal Numbering System number" means the 9-digit
13 number established and assigned by Dun and Bradstreet, Inc. to
14 uniquely identify entities and, under federal law, is required
15 for non-federal entities to apply for, receive, and report on a
16 federal award.

17 "Direct costs" means costs that can be identified
18 specifically with a particular final cost objective, such as a
19 State or federal or federal pass-through award or a particular
20 sponsored project, an instructional activity, or any other
21 institutional activity, or that can be directly assigned to
22 such activities relatively easily with a high degree of
23 accuracy.

24 "Equipment" means tangible personal property (including
25 information technology systems) having a useful life of more
26 than one year and a per-unit acquisition cost that equals or

1 exceeds the lesser of the capitalization level established by
2 the non-federal entity for financial statement purposes, or
3 \$5,000.

4 "Executive branch" means that branch of State government
5 that is under the jurisdiction of the Governor.

6 "Federal agency" has the meaning provided for "agency"
7 under 5 U.S.C. 551(1) together with the meaning provided for
8 "agency" by 5 U.S.C. 552(f).

9 "Federal award" means:

10 (1) the federal financial assistance that a
11 non-federal entity receives directly from a federal
12 awarding agency or indirectly from a pass-through entity;

13 (2) the cost-reimbursement contract under the Federal
14 Acquisition Regulations that a non-federal entity receives
15 directly from a federal awarding agency or indirectly from
16 a pass-through entity; or

17 (3) the instrument setting forth the terms and
18 conditions when the instrument is the grant agreement,
19 cooperative agreement, other agreement for assistance
20 covered in paragraph (b) of 20 CFR 200.40, or the
21 cost-reimbursement contract awarded under the Federal
22 Acquisition Regulations.

23 "Federal award" does not include other contracts that a
24 federal agency uses to buy goods or services from a contractor
25 or a contract to operate federal government owned,
26 contractor-operated facilities.

1 "Federal awarding agency" means the federal agency that
2 provides a federal award directly to a non-federal entity.

3 "Federal interest" means, for purposes of 2 CFR 200.329 or
4 when used in connection with the acquisition or improvement of
5 real property, equipment, or supplies under a federal award,
6 the dollar amount that is the product of the federal share of
7 total project costs and current fair market value of the
8 property, improvements, or both, to the extent the costs of
9 acquiring or improving the property were included as project
10 costs.

11 "Federal program" means any of the following:

12 (1) All federal awards which are assigned a single
13 number in the CFDA.

14 (2) When no CFDA number is assigned, all federal awards
15 to non-federal entities from the same agency made for the
16 same purpose should be combined and considered one program.

17 (3) Notwithstanding paragraphs (1) and (2) of this
18 definition, a cluster of programs. The types of clusters of
19 programs are:

20 (A) research and development;

21 (B) student financial aid; and

22 (C) "other clusters", as described in the
23 definition of "cluster of programs".

24 "Federal share" means the portion of the total project
25 costs that are paid by federal funds.

26 "Final cost objective" means a cost objective which has

1 allocated to it both direct and indirect costs and, in the
2 non-federal entity's accumulation system, is one of the final
3 accumulation points, such as a particular award, internal
4 project, or other direct activity of a non-federal entity.

5 "Financial assistance" means the following:

6 (1) For grants and cooperative agreements, "financial
7 assistance" means assistance that non-federal entities
8 receive or administer in the form of:

9 (A) grants;

10 (B) cooperative agreements;

11 (C) non-cash contributions or donations of
12 property, including donated surplus property;

13 (D) direct appropriations;

14 (E) food commodities; and

15 (F) other financial assistance, except assistance
16 listed in paragraph (2) of this definition.

17 (2) "Financial assistance" includes assistance that
18 non-federal entities receive or administer in the form of
19 loans, loan guarantees, interest subsidies, and insurance.

20 (3) "Financial assistance" does not include amounts
21 received as reimbursement for services rendered to
22 individuals.

23 "Fixed amount awards" means a type of grant agreement under
24 which the awarding agency or pass-through entity provides a
25 specific level of support without regard to actual costs
26 incurred under the award. "Fixed amount awards" reduce some of

1 the administrative burden and record-keeping requirements for
2 both the non-federal entity and awarding agency or pass-through
3 entity. Accountability is based primarily on performance and
4 results.

5 "Foreign public entity" means:

6 (1) a foreign government or foreign governmental
7 entity;

8 (2) a public international organization that is
9 entitled to enjoy privileges, exemptions, and immunities
10 as an international organization under the International
11 Organizations Immunities Act (22 U.S.C. 288-288f);

12 (3) an entity owned, in whole or in part, or controlled
13 by a foreign government; or

14 (4) any other entity consisting wholly or partially of
15 one or more foreign governments or foreign governmental
16 entities.

17 "Foreign organization" means an entity that is:

18 (1) a public or private organization located in a
19 country other than the United States and its territories
20 that are subject to the laws of the country in which it is
21 located, irrespective of the citizenship of project staff
22 or place of performance;

23 (2) a private nongovernmental organization located in
24 a country other than the United States that solicits and
25 receives cash contributions from the general public;

26 (3) a charitable organization located in a country

1 other than the United States that is nonprofit and tax
2 exempt under the laws of its country of domicile and
3 operation, but is not a university, college, accredited
4 degree-granting institution of education, private
5 foundation, hospital, organization engaged exclusively in
6 research or scientific activities, church, synagogue,
7 mosque, or other similar entity organized primarily for
8 religious purposes; or

9 (4) an organization located in a country other than the
10 United States not recognized as a Foreign Public Entity.

11 "Generally Accepted Accounting Principles" has the meaning
12 provided in accounting standards issued by the Government
13 Accounting Standards Board and the Financial Accounting
14 Standards Board.

15 "Generally Accepted Government Auditing Standards" means
16 generally accepted government auditing standards issued by the
17 Comptroller General of the United States that are applicable to
18 financial audits.

19 "Grant agreement" means a legal instrument of financial
20 assistance between an awarding agency or pass-through entity
21 and a non-federal entity that:

22 (1) is used to enter into a relationship, the principal
23 purpose of which is to transfer anything of value from the
24 awarding agency or pass-through entity to the non-federal
25 entity to carry out a public purpose authorized by law and
26 not to acquire property or services for the awarding agency

1 or pass-through entity's direct benefit or use; and

2 (2) is distinguished from a cooperative agreement in
3 that it does not provide for substantial involvement
4 between the awarding agency or pass-through entity and the
5 non-federal entity in carrying out the activity
6 contemplated by the award.

7 "Grant agreement" does not include an agreement that
8 provides only direct cash assistance to an individual, a
9 subsidy, a loan, a loan guarantee, or insurance.

10 "Grant application" means a specified form that is
11 completed by a non-federal entity in connection with a request
12 for a specific funding opportunity or a request for financial
13 support of a project or activity.

14 "Hospital" means a facility licensed as a hospital under
15 the law of any state or a facility operated as a hospital by
16 the United States, a state, or a subdivision of a state.

17 "Illinois Debarred and Suspended List" means the list
18 maintained by the Governor's Office of Management and Budget
19 that contains the names of those individuals and entities that
20 are ineligible, either temporarily or permanently, from
21 receiving an award of grant funds from the State.

22 ~~"Indian tribe" (or "federally recognized Indian tribe")~~
23 ~~means any Indian tribe, band, nation, or other organized group~~
24 ~~or community, including any Alaska Native village or regional~~
25 ~~or village corporation as defined in or established pursuant to~~
26 ~~the federal Alaska Native Claims Settlement Act (43 U.S.C.~~

1 ~~1601, et seq.) that is recognized as eligible for the special~~
2 ~~programs and services provided by the United States to Indians~~
3 ~~because of their status as Indians under 25 U.S.C. 450b(e), as~~
4 ~~set forth in the annually published Bureau of Indian Affairs~~
5 ~~list of Indian Entities Recognized and Eligible to Receive~~
6 ~~Services.~~

7 "Indirect cost" means those costs incurred for a common or
8 joint purpose benefitting more than one cost objective and not
9 readily assignable to the cost objectives specifically
10 benefitted without effort disproportionate to the results
11 achieved.

12 "Inspector General" means the Office of the Executive
13 Inspector General for Executive branch agencies.

14 "Loan" means a State or federal loan or loan guarantee
15 received or administered by a non-federal entity. "Loan" does
16 not include a "program income" as defined in 2 CFR 200.80.

17 "Loan guarantee" means any State or federal government
18 guarantee, insurance, or other pledge with respect to the
19 payment of all or a part of the principal or interest on any
20 debt obligation of a non-federal borrower to a non-federal
21 lender, but does not include the insurance of deposits, shares,
22 or other withdrawable accounts in financial institutions.

23 "Local government" has the meaning provided for the term
24 "units of local government" under Section 1 of Article VII of
25 the Illinois Constitution and includes school districts.

26 "Major program" means a federal program determined by the

1 auditor to be a major program in accordance with 2 CFR 200.518
2 or a program identified as a major program by a federal
3 awarding agency or pass-through entity in accordance with 2 CFR
4 200.503(e).

5 "Non-federal entity" means a state, local government,
6 Indian tribe, institution of higher education, or
7 organization, whether nonprofit or for-profit, that carries
8 out a State or federal award as a recipient or subrecipient.

9 "Nonprofit organization" means any corporation, trust,
10 association, cooperative, or other organization, not including
11 institutions of higher education, that:

12 (1) is operated primarily for scientific, educational,
13 service, charitable, or similar purposes in the public
14 interest;

15 (2) is not organized primarily for profit; and

16 (3) uses net proceeds to maintain, improve, or expand
17 the operations of the organization.

18 "Obligations", when used in connection with a non-federal
19 entity's utilization of funds under an award, means orders
20 placed for property and services, contracts and subawards made,
21 and similar transactions during a given period that require
22 payment by the non-federal entity during the same or a future
23 period.

24 "Office of Management and Budget" means the Office of
25 Management and Budget of the Executive Office of the President.

26 "Other clusters" has the meaning provided by the federal

1 Office of Management and Budget in the compliance supplement or
2 has the meaning as it is designated by a state for federal
3 awards the state provides to its subrecipients that meet the
4 definition of a cluster of programs. When designating an "other
5 cluster", a state must identify the federal awards included in
6 the cluster and advise the subrecipients of compliance
7 requirements applicable to the cluster.

8 "Oversight agency for audit" means the federal awarding
9 agency that provides the predominant amount of funding directly
10 to a non-federal entity not assigned a cognizant agency for
11 audit. When there is no direct funding, the awarding agency
12 that is the predominant source of pass-through funding must
13 assume the oversight responsibilities. The duties of the
14 oversight agency for audit and the process for any
15 reassignments are described in 2 CFR 200.513(b).

16 "Pass-through entity" means a non-federal entity that
17 provides a subaward to a subrecipient to carry out part of a
18 program.

19 "Private award" means an award from a person or entity
20 other than a State or federal entity. Private awards are not
21 subject to the provisions of this Act.

22 "Property" means real property or personal property.

23 "Project cost" means total allowable costs incurred under
24 an award and all required cost sharing and voluntary committed
25 cost sharing, including third-party contributions.

26 "Public institutions of higher education" has the meaning

1 provided in Section 1 of the Board of Higher Education Act.

2 "Recipient" means a non-federal entity that receives an
3 award directly from an awarding agency to carry out an activity
4 under a program. "Recipient" does not include subrecipients.

5 "Research and Development" means all research activities,
6 both basic and applied, and all development activities that are
7 performed by non-federal entities.

8 "Single Audit Act" means the federal Single Audit Act
9 Amendments of 1996 (31 U.S.C. 7501-7507).

10 "State agency" means an Executive branch agency. For
11 purposes of this Act, "State agency" does not include public
12 institutions of higher education.

13 "State award" means the financial assistance that a
14 non-federal entity receives from the State and that is funded
15 with either State funds or federal funds; in the latter case,
16 the State is acting as a pass-through entity.

17 "State awarding agency" means a State agency that provides
18 an award to a non-federal entity.

19 "State grant-making agency" has the same meaning as "State
20 awarding agency".

21 "State interest" means the acquisition or improvement of
22 real property, equipment, or supplies under a State award, the
23 dollar amount that is the product of the State share of the
24 total project costs and current fair market value of the
25 property, improvements, or both, to the extent the costs of
26 acquiring or improving the property were included as project

1 costs.

2 "State program" means any of the following:

3 (1) All State awards which are assigned a single number
4 in the Catalog of State Financial Assistance.

5 (2) When no Catalog of State Financial Assistance
6 number is assigned, all State awards to non-federal
7 entities from the same agency made for the same purpose are
8 considered one program.

9 (3) A cluster of programs as defined in this Section.

10 "State share" means the portion of the total project costs
11 that are paid by State funds.

12 "Stop payment order" means a communication from a State
13 grant-making agency to the Office of the Comptroller requesting
14 the cessation of payments to a recipient or subrecipient as a
15 result of the recipient's or subrecipient's failure to comply
16 with one or more terms of the grant or subaward.

17 "Stop payment system" means the system maintained by the
18 Office of the Comptroller which effects stop payment orders and
19 the lifting of stop payment orders upon the direction of a
20 State grant-making agency.

21 "Student Financial Aid" means federal awards under those
22 programs of general student assistance, such as those
23 authorized by Title IV of the Higher Education Act of 1965, as
24 amended (20 U.S.C. 1070-1099d), that are administered by the
25 United States Department of Education and similar programs
26 provided by other federal agencies. "Student Financial Aid"

1 does not include federal awards under programs that provide
2 fellowships or similar federal awards to students on a
3 competitive basis or for specified studies or research.

4 "Subaward" means a State or federal award provided by a
5 pass-through entity to a subrecipient for the subrecipient to
6 carry out part of a federal award received by the pass-through
7 entity. "Subaward" does not include payments to a contractor or
8 payments to an individual that is a beneficiary of a federal
9 program. A "subaward" may be provided through any form of legal
10 agreement, including an agreement that the pass-through entity
11 considers a contract.

12 "Subrecipient" means a non-federal entity that receives a
13 State or federal subaward from a pass-through entity to carry
14 out part of a federal program. "Subrecipient" does not include
15 an individual that is a beneficiary of such program. A
16 "subrecipient" may also be a recipient of other State or
17 federal awards directly from a State or federal awarding
18 agency.

19 "Suspension" means a post-award action by the State or
20 federal agency or pass-through entity that temporarily
21 withdraws the State or federal agency's or pass-through
22 entity's financial assistance sponsorship under an award,
23 pending corrective action by the recipient or subrecipient or
24 pending a decision to terminate the award.

25 "Uniform Administrative Requirements, Costs Principles,
26 and Audit Requirements for Federal Awards" means those rules

1 applicable to grants contained in 2 CFR 200.

2 "Voluntary committed cost sharing" means cost sharing
3 specifically pledged on a voluntary basis in the proposal's
4 budget or the award on the part of the non-federal entity and
5 that becomes a binding requirement of the award.

6 (Source: P.A. 98-706, eff. 7-16-14.)

7 (30 ILCS 708/25)

8 (Section scheduled to be repealed on July 16, 2020)

9 Sec. 25. Supplemental rules. On or before July 1, 2017, the
10 Governor's Office of Management and Budget, with the advice and
11 technical assistance of the Illinois Single Audit Commission,
12 shall adopt supplemental rules pertaining to the following:

13 (1) Criteria to define mandatory formula-based grants
14 and discretionary grants.

15 (2) The award of one-year grants for new applicants.

16 (3) The award of competitive grants in 3-year terms
17 (one-year initial terms with the option to renew for up to
18 2 additional years) to coincide with the federal award.

19 (4) The issuance of grants, including:

20 (A) public notice of announcements of funding
21 opportunities;

22 (B) the development of uniform grant applications;

23 (C) State agency review of merit of proposals and
24 risk posed by applicants;

25 (D) specific conditions for individual recipients

1 (requiring the use of a fiscal agent and additional
2 corrective conditions);

3 (E) certifications and representations;

4 (F) pre-award costs;

5 (G) performance measures and statewide prioritized
6 goals under Section 50-25 of the State Budget Law of
7 the Civil Administrative Code of Illinois, commonly
8 referred to as "Budgeting for Results"; and

9 (H) for mandatory formula grants, the merit of the
10 proposal and the risk posed should result in additional
11 reporting, monitoring, or measures such as
12 reimbursement-basis only.

13 (5) The development of uniform budget requirements,
14 which shall include:

15 (A) mandatory submission of budgets as part of the
16 grant application process;

17 (B) mandatory requirements regarding contents of
18 the budget including, at a minimum, common detail line
19 items specified under guidelines issued by the
20 Governor's Office of Management and Budget;

21 (C) a requirement that the budget allow
22 flexibility to add lines describing costs that are
23 common for the services provided as outlined in the
24 grant application;

25 (D) a requirement that the budget include
26 information necessary for analyzing cost and

1 performance for use in Budgeting for Results; and

2 (E) caps on the amount of salaries that may be
3 charged to grants based on the limitations imposed by
4 federal agencies.

5 (6) The development of pre-qualification requirements
6 for applicants, including the fiscal condition of the
7 organization and the provision of the following
8 information:

9 (A) organization name;

10 (B) Federal Employee Identification Number;

11 (C) Data Universal Numbering System (DUNS) number;

12 (D) fiscal condition;

13 (E) whether the applicant is in good standing with
14 the Secretary of State;

15 (F) past performance in administering grants;

16 (G) whether the applicant is ~~or has ever been~~ on
17 the Debarred and Suspended List maintained by the
18 Governor's Office of Management and Budget;

19 (H) whether the applicant is ~~or has ever been~~ on
20 the federal Excluded Parties List; and

21 (I) whether the applicant is ~~or has ever been~~ on
22 the Sanctioned Party List maintained by the Illinois
23 Department of Healthcare and Family Services.

24 Nothing in this Act affects the provisions of the Fiscal
25 Control and Internal Auditing Act nor the requirement that the
26 management of each State agency is responsible for maintaining

1 effective internal controls under that Act.

2 For public institutions of higher education, the
3 provisions of this Section apply only to awards funded by State
4 appropriations and federal pass-through awards from a State
5 agency to public institutions of higher education.

6 (Source: P.A. 98-706, eff. 7-16-14; 99-523, eff. 6-30-16.)

7 (30 ILCS 708/50)

8 (Section scheduled to be repealed on July 16, 2020)

9 Sec. 50. State grant-making agency responsibilities.

10 (a) The specific requirements and responsibilities of
11 State grant-making agencies and non-federal entities are set
12 forth in this Act. State agencies making State awards to
13 non-federal entities must adopt by rule the language in 2 CFR
14 200, Subpart C through Subpart F unless different provisions
15 are required by law.

16 (b) Each State grant-making agency shall appoint a Chief
17 Accountability Officer who shall serve as a liaison to the
18 Grant Accountability and Transparency Unit and who shall be
19 responsible for the State agency's implementation of and
20 compliance with the rules.

21 (c) In order to effectively measure the performance of its
22 recipients and subrecipients, each State grant-making agency
23 shall:

24 (1) require its recipients and subrecipients to relate
25 financial data to performance accomplishments of the award

1 and, when applicable, must require recipients and
2 subrecipients to provide cost information to demonstrate
3 cost-effective practices. The recipient's and
4 subrecipient's performance should be measured in a way that
5 will help the State agency to improve program outcomes,
6 share lessons learned, and spread the adoption of promising
7 practices; and

8 (2) provide recipients and subrecipients with clear
9 performance goals, indicators, and milestones and must
10 establish performance reporting frequency and content to
11 not only allow the State agency to understand the
12 recipient's progress, but also to facilitate
13 identification of promising practices among recipients and
14 subrecipients and build the evidence upon which the State
15 agency's program and performance decisions are made.

16 (c-5) Each State grant-making agency shall evaluate the
17 compliance of its recipients and subrecipients within the terms
18 of the grant or subaward and, where appropriate, shall request
19 that the Office of the Comptroller issue a stop payment order
20 in accordance with Section 105 of this Act.

21 (d) The Governor's Office of Management and Budget shall
22 provide such advice and technical assistance to the State
23 grant-making agencies as is necessary or indicated in order to
24 ensure compliance with this Act.

25 (Source: P.A. 98-706, eff. 7-16-14.)

1 (30 ILCS 708/55)

2 (Section scheduled to be repealed on July 16, 2020)

3 Sec. 55. The Governor's Office of Management and Budget
4 responsibilities.

5 (a) The Governor's Office of Management and Budget shall:

6 (1) provide technical assistance and interpretations
7 of policy requirements in order to ensure effective and
8 efficient implementation of this Act by State grant-making
9 agencies; and

10 (2) have authority to approve any exceptions to the
11 requirements of this Act and shall adopt rules governing
12 the criteria to be considered when an exception is
13 requested; exceptions shall only be made in particular
14 cases where adequate justification is presented.

15 (b) The Governor's Office of Management and Budget shall,
16 on or before July 1, 2016, establish a centralized unit within
17 the Governor's Office of Management and Budget. The centralized
18 unit shall be known as the Grant Accountability and
19 Transparency Unit and shall be funded with a portion of the
20 administrative funds provided under existing and future State
21 and federal pass-through grants. The amounts charged will be
22 allocated based on the actual cost of the services provided to
23 State grant-making agencies and public institutions of higher
24 education in accordance with the applicable federal cost
25 principles contained in 2 CFR 200 and this Act will not cause
26 the reduction in the amount of any State or federal grant

1 awards that have been or will be directed towards State
2 agencies or public institutions of higher education.

3 (c) The Governor's Office of Management and Budget, in
4 conjunction with the Illinois Single Audit Commission, shall
5 convene a subcommittee of the Commission to research and
6 provide recommendations to the General Assembly regarding the
7 adoption of legislation in accordance with the federal Improper
8 Payments Elimination and Recovery Improvement Act of 2012. The
9 subcommittee's recommendations shall be included in the Annual
10 Report of the Commission to be submitted to the General
11 Assembly on January 1, 2018.

12 (Source: P.A. 98-706, eff. 7-16-14; 99-523, eff. 6-30-16.)

13 (30 ILCS 708/95)

14 (Section scheduled to be repealed on July 16, 2020)

15 Sec. 95. Annual report. Effective January 1, 2016 and each
16 January 1 thereafter, the Governor's Office of Management and
17 Budget, in conjunction with the Illinois Single Audit
18 Commission, shall submit to the Governor and the General
19 Assembly a report that demonstrates the efficiencies, cost
20 savings, and reductions in fraud, waste, and abuse as a result
21 of the implementation of this Act and the rules adopted by the
22 Governor's Office of Management and Budget in accordance with
23 the provisions of this Act. The report shall include, but not
24 be limited to:

25 (1) the number of entities placed on the Illinois

1 Debarred and Suspended List;

2 (2) any savings realized as a result of the
3 implementation of this Act;

4 (3) any reduction in the number of duplicative audit
5 report reviews ~~audits~~;

6 (4) the number of persons trained to assist grantees
7 and subrecipients; and

8 (5) the number of grantees and subrecipients to whom a
9 fiscal agent was assigned.

10 (Source: P.A. 98-706, eff. 7-16-14.)

11 (30 ILCS 708/105 new)

12 Sec. 105. Stop payment system.

13 (a) On or before July 1, 2018, the Governor's Office of
14 Management and Budget shall adopt rules pertaining to the
15 following:

16 (1) Factors to be considered in determining whether to
17 issue a stop payment order;

18 (2) Factors to be considered in determining whether a
19 stop payment order should be lifted; and

20 (3) Procedures for notification to the recipient or
21 subrecipient of the issuance of a stop payment order, the
22 lifting of a stop payment order, and any other related
23 information.

24 (b) On or before December 31, 2018, the Governor's Office
25 of Management and Budget shall, in conjunction with State

1 grant-making agencies, adopt rules pertaining to the
2 following:

3 (1) Policies regarding the issuance of stop payment
4 orders;

5 (2) Policies regarding the lifting of stop payment
6 orders;

7 (3) Policies regarding corrective actions required of
8 recipients and subrecipients in the event a stop payment
9 order is issued; and

10 (4) Policies regarding the coordination of
11 communications between the Office of the Comptroller and
12 State grant-making agencies regarding the issuance of stop
13 payment orders and the lifting of such orders.

14 (c) On or before July 1, 2019, the Office of the
15 Comptroller shall have established a stop payment system that
16 shall cause the temporary or permanent cessation of payments to
17 a recipient or subrecipient in specified circumstances. Such a
18 temporary or permanent cessation of payments will occur
19 pursuant to a stop payment order issued by a State grant-making
20 agency and implemented by the Office of the Comptroller.

21 (d) The State grant-making agency shall maintain a file
22 pertaining to all stop payment orders which shall include, at a
23 minimum:

24 (1) The notice to the recipient or subrecipient that a
25 stop payment order has been issued. The notice shall
26 include:

1 (A) The name of the grant.

2 (B) The grant number.

3 (C) The name of the State agency that issued the
4 grant.

5 (D) The reason(s) for the stop payment order.

6 (E) Notification that the stop payment order
7 applies to all grants and contracts issued by the
8 State.

9 (F) Any other relevant information.

10 (2) The order lifting the stop payment order, if
11 applicable.

12 (30 ILCS 708/110 new)

13 Sec. 110. Documentation of award decisions. Each award that
14 is granted pursuant to an application process must include
15 documentation to support the award.

16 (a) For each State or federal pass-through award that is
17 granted following an application process, the State
18 grant-making agency shall create a grant award file. The grant
19 award file shall contain, at a minimum:

20 (1) A description of the grant.

21 (2) The Notice of Opportunity.

22 (3) All applications received in response to the Notice
23 of Opportunity.

24 (4) Copies of any written communications between an
25 applicant and the State grant-making agency.

1 (5) The criteria used to evaluate the applications.

2 (6) The scores assigned to each applicant according to
3 the criteria.

4 (7) A written determination, signed by an authorized
5 representative of the State grant-making agency, setting
6 forth the reason for the grant award decision.

7 (8) The Notice of Award.

8 (9) Any other pre-award documents.

9 (10) The grant agreement and any renewals, if
10 applicable;

11 (11) All post-award, administration, and close-out
12 documents relating to the grant.

13 (12) Any other information relevant to the grant award.

14 (b) The grant file shall not include trade secrets or other
15 competitively sensitive, confidential, or proprietary
16 information.

17 (c) Each grant file shall be maintained by the State
18 grant-making agency and, subject to the provisions of the
19 Freedom of Information Act, shall be available for public
20 inspection and copying within 7 calendar days following award
21 of the grant.

22 (30 ILCS 708/115 new)

23 Sec. 115. Certifications and representations. Unless
24 prohibited by State or federal statute, regulation, or
25 administrative rule, each State awarding agency or

1 pass-through entity is authorized to require the recipient or
2 subrecipient to submit certifications and representations
3 required by State or federal statute, regulation, or
4 administrative rule.

5 (30 ILCS 708/120 new)

6 Sec. 120. Required certifications. To assure that
7 expenditures are proper and in accordance with the terms and
8 conditions of the grant award and approved project budgets, all
9 periodic and final financial reports, and all payment requests
10 under the grant agreement, must include a certification, signed
11 by an official who is authorized to legally bind the grantee or
12 subrecipient, that reads as follows:

13 "By signing this report and/or payment request, I
14 certify to the best of my knowledge and belief that this
15 report is true, complete, and accurate; that the
16 expenditures, disbursements, and cash receipts are for the
17 purposes and objectives set forth in the terms and
18 conditions of the State or federal pass-through award; and
19 that supporting documentation has been submitted as
20 required by the grant agreement. I acknowledge that
21 approval for any item or expenditure described herein shall
22 be considered conditional subject to further review and
23 verification in accordance with the monitoring and records
24 retention provisions of the grant agreement. I am aware
25 that any false, fictitious, or fraudulent information, or

1 the omission of any material fact, may subject me to
2 criminal, civil or administrative penalties for fraud,
3 false statements, false claims or otherwise. 18 U.S.C.
4 §1001; 31 U.S.C. §§3729-3730 and §§3801-3812; 30 ILCS 708/
5 120."

6 (30 ILCS 708/125 new)

7 Sec. 125. Expenditures prior to grant execution; reporting
8 requirements.

9 (a) In the event that a recipient or subrecipient incurs
10 expenses related to the grant award prior to the execution of
11 the grant agreement but within the term of the grant, and the
12 grant agreement is executed more than 30 days after the
13 effective date of the grant, the recipient or subrecipient must
14 submit to the State grant-making agency a report that accounts
15 for eligible grant expenditures and project activities from the
16 effective date of the grant up to and including the date of
17 execution of the grant agreement.

18 (b) The recipient or subrecipient must submit the report to
19 the State grant-making agency within 30 days of execution of
20 the grant agreement.

21 (c) Only those expenses that are reasonable, allowable, and
22 in furtherance of the purpose of the grant award shall be
23 reimbursed.

24 (d) The State grant-making agency must approve the report
25 prior to issuing any payment to the recipient or subrecipient.

1 (30 ILCS 708/130 new)

2 Sec. 130. Travel costs.

3 (a) General. Travel costs are the expenses for
4 transportation, lodging, subsistence, and related items
5 incurred by the employees of the recipient or subrecipient who
6 are in travel status on official business of the recipient or
7 subrecipient. Such costs may only be charged to a State or
8 federal pass-through grant on a per diem or mileage basis in
9 accordance with the rules of the Governor's Travel Control
10 Board.

11 (b) Lodging and subsistence. Costs incurred for travel,
12 including costs of lodging, other subsistence, and incidental
13 expenses, must be considered reasonable and otherwise
14 allowable only to the extent such costs do not exceed charges
15 normally allowed by the rules of the Governor's Travel Control
16 Board. In addition, if these costs are charged directly to the
17 State or federal pass-through award documentation must justify
18 that:

19 (1) Participation of the individual is necessary to the
20 State or federal pass-through award; and

21 (2) The costs are reasonable and consistent with the
22 rules of the Governor's Travel Control Board.

23 (c) Commercial air travel.

24 (1) Airfare costs in excess of the basic least
25 expensive unrestricted accommodations class offered by

1 commercial airlines are unallowable except when such
2 accommodations would:

3 (i) Require circuitous routing;

4 (ii) Require travel during unreasonable hours;

5 (iii) Excessively prolong travel;

6 (iv) Result in additional costs that would offset
7 the transportation savings; or

8 (v) Offer accommodations not reasonably adequate
9 for the traveler's medical needs."

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

1		INDEX
2		Statutes amended in order of appearance
3	5	ILCS 430/5-20
4	15	ILCS 405/28 new
5	20	ILCS 3005/2.11 new
6	20	ILCS 3005/2.12 new
7	30	ILCS 105/25 from Ch. 127, par. 161
8	30	ILCS 105/35 from Ch. 127, par. 167.03
9	30	ILCS 705/15.5 new
10	30	ILCS 708/15
11	30	ILCS 708/25
12	30	ILCS 708/50
13	30	ILCS 708/55
14	30	ILCS 708/95
15	30	ILCS 708/105 new
16	30	ILCS 708/110 new
17	30	ILCS 708/115 new
18	30	ILCS 708/120 new
19	30	ILCS 708/125 new
20	30	ILCS 708/130 new