



Rep. Patricia R. Bellock

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LRB098 02559 HLH 44575 a

1 AMENDMENT TO HOUSE BILL 2

2 AMENDMENT NO. _____. Amend House Bill 2, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Grant Funds Recovery Act is
6 amended by adding Section 15 as follows:

7 (30 ILCS 705/15 new)

8 Sec. 15. Illinois Single Audit Commission.

9 (a) There is created the Illinois Single Audit Commission.

10 The Commission shall conduct research regarding the practices
11 of the federal government in the administration of grants and
12 create a report summarizing the Commission's recommendations
13 regarding the adoption of uniform standards for the
14 administration of grants in this State.

15 (b) The Commission shall be comprised of one representative
16 from each of the following grant-making Departments who is an

1 expert in grant subject matter, and who shall be appointed by
2 the Governor, one of whom shall be designated as Chairperson:

3 (1) Department on Aging;

4 (2) Department of Children and Family Services;

5 (3) Department of Healthcare and Family Services;

6 (4) Department of Human Services;

7 (5) Department of Public Health;

8 (6) Criminal Justice Information Authority;

9 (7) Department of Commerce and Economic Opportunity;

10 (8) Department of Transportation;

11 (9) Illinois State Board of Education;

12 (10) Illinois Student Assistance Commission;

13 (11) Department of Agriculture;

14 (12) Environmental Protection Agency; and

15 (13) Department of Natural Resources.

16 In addition, a total of 4 representatives of community
17 organizations, providers, or associations may be appointed by
18 the Departments listed in subsection (b) as follows: 1 member
19 may be appointed by the Departments listed in subparagraphs (1)
20 through (6); 1 member may be appointed by the Departments
21 listed in subparagraphs (7) and (8); 1 member may be appointed
22 by the Departments listed in subparagraphs (9) and (10); and 1
23 member may be appointed by the Departments listed in
24 subparagraphs (11) through (13).

25 Should any of the Departments listed in subparagraphs (1)
26 through (13) of subsection (b) deem that additional

1 representation by community organizations, providers, or
2 associations is necessary, and the Commission as a whole is in
3 concurrence with this decision, the Department or Departments
4 may appoint additional members, provided, however, that no more
5 than a total of 4 such additional members may be appointed to
6 the Commission.

7 The Governor may designate representatives of additional
8 Departments with grant-making authority to serve as members of
9 the Commission.

10 (c) The Commission shall also include: a representative of
11 the Governor's Office of Management and Budget, appointed by
12 the Governor; four members of the General Assembly, one from
13 the House Democratic Caucus, one from the House Republican
14 Caucus, one from the Senate Democratic Caucus, and one from the
15 one from the Senate Republican Caucus, all of which shall be
16 appointed by the Governor; the Co-Chairs of the relevant
17 subcommittees within the Management Initiative Improvement
18 Committee (provided for under Section 1-37a of the Department
19 of Human Services Act) may be included as members of the
20 Commission if the Commission deems their inclusion necessary
21 for the coordination of its efforts.

22 (d) The recommendations in the Commission's report shall
23 focus primarily on developing a coordinated, non-redundant
24 process for the provision of effective and efficient oversight
25 of the selection and monitoring of grant recipients, ensuring
26 quality programs, and limiting fraud, waste, and abuse. The

1 report shall define the purpose, scope, applicability, and
2 responsibilities in the life cycle of a grant, including the
3 period before a grant is awarded, the period when a grant is
4 awarded, and the period after a grant is awarded, as set forth
5 in subsections (e) through (g) of this Section. To the extent
6 feasible, the Commission's report shall include necessary
7 statutory and rule changes required to implement any proposed
8 actions.

9 (e) The report shall examine and make recommendations for
10 the following with regard to a grant before it is awarded:

11 (1) criteria to define mandatory formula-based grants
12 and discretionary grants;

13 (2) whether three-year discretionary grants should
14 exist in a competitive grant environment;

15 (3) the development of uniform grant applications;

16 (4) the development of uniform budget requirements;

17 (5) the development of pre-qualification requirements
18 of applicants, including the fiscal condition of the
19 organization;

20 (6) the development of minimum requirements of
21 applicant staff to manage and execute grant awards for
22 programmatic and administrative purposes;

23 (7) the development of criteria for requiring the
24 retention of a fiscal agent and for becoming a fiscal
25 agent; and

26 (8) the development of disclosure requirements

1 pertaining to related party status between grantees and
2 grant-making agencies.

3 (f) The report shall examine and make recommendations for
4 the following with regard to a grant at the time it is awarded:

5 (1) the development of uniform grant agreements;

6 (2) the development of uniform reporting requirements,
7 including budget-to-actual quarterly reports;

8 (3) the implementation of uniform monitoring,
9 including on-site fiscal and administrative control
10 reviews on a risk-based approach to determine the required
11 frequency of monitoring;

12 (4) the development of payment methods, including
13 advance and reconcile, capital advances, and
14 reimbursement;

15 (5) the development of administrative requirements;

16 (6) the development of allowable cost principles;

17 (7) the development of a conditional exemption
18 process;

19 (8) the development of standardized audit
20 requirements;

21 (9) the development of program performance reporting
22 and budgeting for results;

23 (10) the development of record retention and access
24 requirements; and

25 (11) the development of grant termination and
26 enforcement procedures.

1 (g) The report shall examine and make recommendations for
2 the following with regard to a grant after it has been awarded:

3 (1) the development of standardized closeout
4 procedures;

5 (2) the development of standardized audit
6 requirements;

7 (3) the development of subsequent grant adjustments
8 and continuing responsibilities;

9 (4) the development of a uniform method of grant
10 recovery; and

11 (5) the development of an appeals process.

12 (h) The report shall be filed with the General Assembly by
13 January 1, 2014.

14 (i) Definitions. As used in this Section:

15 "Departments" means the agencies, boards, and
16 commissions listed in subparagraph (b) of this Section,
17 including any additional Departments designated by the
18 Governor.

19 "Grant" means an award of financial assistance, the
20 principal purpose of which is to transfer a thing of value
21 from a federal or state agency to a recipient to carry out
22 a public purpose of support or stimulation authorized by a
23 law of the United States or the State of Illinois. A grant
24 is distinguished from a contract, which is used to acquire
25 property or services for the federal or State government's
26 direct benefit or use as defined in Section 210 of Subpart

1 B of federal Office of Management Board Circular A-133.
2 Notwithstanding subparagraph (b) of Section 2 of this Act,
3 fee-for-service purchase of care agreements are grants for
4 purposes of this Section.

5 Technical terms used in subsections (e) through (g)
6 shall have the same meanings as provided for by their usage
7 or definition in federal Office of Management Board
8 Circular A-110.

9 (j) The Commission shall operate with no direct costs to
10 the State. The Office of the Governor shall coordinate with the
11 Departments listed under subsection (b) to provide
12 administrative support for the Commission.

13 (k) This Section is repealed on April 1, 2014.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."