

AN ACT concerning State government.

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

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

Section 5. Purpose and policy.

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

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

Section 10. Definitions. As used in this Act:

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

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

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

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

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

(f) "State agency" means:

- (1) the Department on Aging or its successor agency;
- (2) the Department of Children and Family Services or

its successor agency;

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

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

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

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

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

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

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

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

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

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

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

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

(15) the Illinois Emergency Management Agency or its

successor agency;

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

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

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

Section 15. Application.

(a) This 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. This Act does not apply to:

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

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

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

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

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

Section 20. Reduction of contract.

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

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

(c) Notwithstanding subsections (a) and (b), the State agency may, upon written notice, 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.

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

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

Section 25. Notice.

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

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

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

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

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