

1 AN ACT concerning finance.

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

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

6 (30 ILCS 705/15 new)

7 Sec. 15. Illinois Single Audit Commission.

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

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

14 (b) The Commission shall be comprised of one representative  
15 from each of the following grant-making Departments who is an  
16 expert in grant subject matter, and who shall be appointed by  
17 the Governor, one of whom shall be designated as Chairperson:

18 (1) Department on Aging;

19 (2) Department of Children and Family Services;

20 (3) Department of Healthcare and Family Services;

21 (4) Department of Human Services;

22 (5) Department of Public Health;

23 (6) Criminal Justice Information Authority;

1 (7) Department of Commerce and Economic Opportunity;

2 (8) Department of Transportation;

3 (9) Illinois State Board of Education;

4 (10) Illinois Student Assistance Commission;

5 (11) Department of Agriculture;

6 (12) Environmental Protection Agency; and

7 (13) Department of Natural Resources.

8 In addition, a total of 4 representatives of community  
9 organizations, providers, or associations may be appointed by  
10 the Departments listed in subsection (b) as follows: 1 member  
11 may be appointed by the Departments listed in subparagraphs (1)  
12 through (6); 1 member may be appointed by the Departments  
13 listed in subparagraphs (7) and (8); 1 member may be appointed  
14 by the Departments listed in subparagraphs (9) and (10); and 1  
15 member may be appointed by the Departments listed in  
16 subparagraphs (11) through (13).

17 Should any of the Departments listed in subparagraphs (1)  
18 through (13) of subsection (b) deem that additional  
19 representation by community organizations, providers, or  
20 associations is necessary, and the Commission as a whole is in  
21 concurrence with this decision, the Department or Departments  
22 may appoint additional members, provided, however, that no more  
23 than a total of 4 such additional members may be appointed to  
24 the Commission.

25 The Governor may designate representatives of additional  
26 Departments with grant-making authority to serve as members of

1 the Commission.

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

14 (d) The recommendations in the Commission's report shall  
15 focus primarily on developing a coordinated, non-redundant  
16 process for the provision of effective and efficient oversight  
17 of the selection and monitoring of grant recipients, ensuring  
18 quality programs, and limiting fraud, waste, and abuse. The  
19 report shall define the purpose, scope, applicability, and  
20 responsibilities in the life cycle of a grant, including the  
21 period before a grant is awarded, the period when a grant is  
22 awarded, and the period after a grant is awarded, as set forth  
23 in subsections (e) through (g) of this Section. To the extent  
24 feasible, the Commission's report shall include necessary  
25 statutory and rule changes required to implement any proposed  
26 actions.

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

3           (1) criteria to define mandatory formula-based grants  
4 and discretionary grants;

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

7           (3) the development of uniform grant applications;

8           (4) the development of uniform budget requirements;

9           (5) the development of pre-qualification requirements  
10 of applicants, including the fiscal condition of the  
11 organization;

12           (6) the development of minimum requirements of  
13 applicant staff to manage and execute grant awards for  
14 programmatic and administrative purposes;

15           (7) the development of criteria for requiring the  
16 retention of a fiscal agent and for becoming a fiscal  
17 agent; and

18           (8) the development of disclosure requirements  
19 pertaining to related party status between grantees and  
20 grant-making agencies.

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

23           (1) the development of uniform grant agreements;

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

26           (3) the implementation of uniform monitoring,

1 including on-site fiscal and administrative control  
2 reviews on a risk-based approach to determine the required  
3 frequency of monitoring;

4 (4) the development of payment methods, including  
5 advance and reconcile, capital advances, and  
6 reimbursement;

7 (5) the development of administrative requirements;

8 (6) the development of allowable cost principles;

9 (7) the development of a conditional exemption  
10 process;

11 (8) the development of standardized audit  
12 requirements;

13 (9) the development of program performance reporting  
14 and budgeting for results;

15 (10) the development of record retention and access  
16 requirements; and

17 (11) the development of grant termination and  
18 enforcement procedures.

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

21 (1) the development of standardized closeout  
22 procedures;

23 (2) the development of standardized audit  
24 requirements;

25 (3) the development of subsequent grant adjustments  
26 and continuing responsibilities;

1           (4) the development of a uniform method of grant  
2           recovery; and

3           (5) the development of an appeals process.

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

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

7           "Departments" means the agencies, boards, and  
8           commissions listed in subparagraph (b) of this Section,  
9           including any additional Departments designated by the  
10           Governor.

11           "Grant" means an award of financial assistance, the  
12           principal purpose of which is to transfer a thing of value  
13           from a federal or state agency to a recipient to carry out  
14           a public purpose of support or stimulation authorized by a  
15           law of the United States or the State of Illinois. A grant  
16           is distinguished from a contract, which is used to acquire  
17           property or services for the federal or State government's  
18           direct benefit or use as defined in Section 210 of Subpart  
19           B of federal Office of Management Board Circular A-133.  
20           Notwithstanding subparagraph (b) of Section 2 of this Act,  
21           fee-for-service purchase of care agreements are grants for  
22           purposes of this Section.

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

1       (j) The Commission shall operate with no direct costs to  
2 the State. The Office of the Governor shall coordinate with the  
3 Departments listed under subsection (b) to provide  
4 administrative support for the Commission.

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

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