**Section 886.70 Compliance Reviews and Recertification for CILs for Continued Funding**

a) The DSE will conduct an on-site compliance review of all CILs to:

1) verify compliance with the standards and assurances in section 725 of the Act, as well as other applicable State and federal statutes;

2) verify compliance with State grant contract terms and conditions; and

3) ascertain whether the DSE should renew, modify or terminate funding agreements with the CIL.

b) The frequency of which on-site reviews will be conducted will be based on State and federal regulations related to grant administration.

c) On-Site Peer Review

The on-site compliance review will be completed using a team of reviewers selected and established by the DSE. The peer review team shall consist of at least one current CIL director with at least 3 years management experience selected from a list of current CIL directors, at least one member of DHS' Independent Living staff, and at least one person with a disability. DHS reserves the right to select another CIL director, if the director selected is responsible for a CIL that has been found to be in Unacceptable Noncompliance as a result of a compliance review completed within the last 12 months.

d) DSE Review

The DSE will review CILs using the criteria established by the federal awarding agency for review of compliance for CILs receiving funding under Part B, as defined by Section 706(c) of the Act.

e) Upon completion of the compliance review, a written report of findings, observations, recommendations and compliance rating will be prepared by the DSE and then sent to the executive director (or his or her designee) and the chairperson of the board of directors of the CIL under review.

f) Compliance ratings, and their subsequent impact, include:

1) Full Compliance – The CIL will receive funding at the same or an increased level as the current year within the limitation of available funds and the needs of DHS. The CIL will be exempt from undergoing a full compliance review for a period not to exceed 3 years, unless the need for such a review is otherwise indicated to ensure contract compliance.

2) Noncompliance – If one or more findings, as defined in Section 886.20, are identified in the on-site compliance review report, the CIL reviewed will be placed in a probationary status until findings are remedied through implementation of a corrective action plan. The length of the probationary period is at the discretion of the DSE, but will not last more than 12 months.

3) Unacceptable Noncompliance – A finding of "unacceptable noncompliance" may be made if a CIL in "noncompliance" status fails to correct compliance review findings within the probationary period. This finding may also be made if the findings of the compliance review are determined to be of such significance that a finding of "noncompliance" would be inappropriate, and that immediate action is necessary on the part of the DSE. In instances of "unacceptable noncompliance", the DSE will make recommendation to the DHS-DRS Director that funding to the CIL cease. There will be no probationary period or subsequent review of the CIL. The decision to defund a CIL is to be made by the DHS-DRS Director. All funding to that CIL will terminate 90 days after the date of notification (see 20 ILCS 2405/12(f)).

g) Appeal

1) A CIL that does not agree with the compliance review rating it receives may grieve the rating, as follows:

A) For Ratings of Noncompliance – The affected CIL must request a review by the DSE within 30 calendar days after receipt of the written notice of the rating of Noncompliance. Within 10 business days after the request, the Manager of the DRS Independent Living Unit (or his or her designee) acting as the DSE will contact the CIL in writing to inform the CIL of the date, time and location of a meeting to discuss the grievance. The meeting will include a review of any evidence provided by the CIL and a presentation of evidence on behalf of the DSE. The meeting must occur within 30 days after the request for review filed by the CIL. Within 10 calendar days after the date of the meeting, the DSE will issue a written decision in response to the grievance.

B) Any CIL not satisfied with the result of the DSE review of its grievance of a finding of noncompliance may request a review by the DHS-DRS Director, or his or her designee. The CIL will submit evidence in support of its case to the Director/designee. The Director/designee will then review the information provided by the CIL and the DHS file regarding the compliance rating. The Director/designee will then issue a written decision on the matter. Any CIL not satisfied with the result of the DHS-DRS Director's Review may request a review by the Secretary, or his or her designee. The DHS Secretary's review is the final step in the grievance process for ratings of Noncompliance and will constitute DHS' final action on the matter.

C) If a CIL achieves a Full Compliance rating as a result of the review of the DSE or the DHS-DRS Director, the provisions of subsection (g)(1) shall apply.

2) For Ratings of Unacceptable Noncompliance

A) The affected CIL must follow the grievance procedures set forth within the Uniform Grant Agreement and the State of Illinois Grantee Compliance Enforcement System.

B) During the existing contract year, funding that was discontinued to the affected CIL may be redirected by the DSE to other CIL grantees for the provision of independent living services in the area previously served.

(Source: Amended at 44 Ill. Reg. 2808, effective January 31, 2020)