



# We are The Health and Human Services Coalition of Illinois.

## Support the Community Partner Fair Contracting Act SB1778/HB2746

The Community Partner Fair Contracting Act (CPFCA) will rectify structural inequities in the state's contracting, payment, and court of claims systems to ensure that health and human service providers can better meet the needs of their communities. Key provisions are below.

### The Community Partner Fair Contracting Act will:



**Ensure Timely Contracts and Payments:** Requires agencies to issue grant agreements within 60 days of the effective date, review a bill or invoice within 30 days, and approve bills or invoices within 60 days. It also shortens the time frame between when bill is approved and when interest begins accruing to 60 days.



**Expand and Clarify Advanced Payment Eligibility:** Applies the Prompt Payment Act (PPA) to all community-based organizations; requires grant agreements to specify payment dates and whether a grant is eligible under the PPA or for advanced payment.



**Promote Flexible Contracts that cover the full cost of services:** Amends the Grant Accountability and Transparency Act (GATA) to remove arbitrary caps on fringe benefits and prevents state agencies from limiting indirect costs in contracts or grant agreements to less than 20% or the federally negotiated rate.



**Expedite and Simplify Court of Claims Process:** Applies timelines to every stage of the Court of Claims (COC) process. Requires the COC to create an online portal, and allows diversion of undisputed lapsed appropriation claims of less than \$2500. Allows state agencies to pay claims from any appropriated funding source.

Community based Health and Human Service providers face undue administrative burden when contracting with the State of Illinois, which results in an inequitable distribution of state resources. **Passage of the CPFCA will:**





- Reduce confusion and create administrative efficiencies for state agencies, contractors and grantees;
- Alleviate undue administrative burden for community-based providers with grants and contracts;
- Help rectify issues with state contracting and payment systems most impacting organizations with the smallest budgets and serving Black, Indigenous, and Communities of Color (BIPOC) throughout the State.

*To inform the CPFCA, the Health and Human Service Coalition of Illinois conducted a statewide survey in the spring of 2023 to assess ongoing challenges and pain points. See page 2 for key findings.*

**Sign on to support the Community Partner Fair Contracting Act today!**

# Statewide Contracting Survey Results

The Health and Human Services Coalition of Illinois conducted a statewide survey to assess government contracting challenges and inform an appropriate policy response that prioritizes:

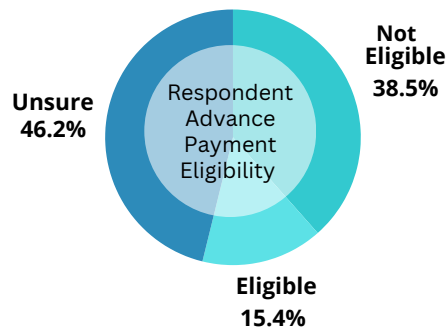
-  Timely Contracts and Payments
-  Advanced Payment Eligibility Expansion and Clarity
-  Flexible Contracts that cover the full cost of services
-  Expedited and Simplified Court of Claims Processes

## Key Findings from the Survey:



### Advance Payments

**Fewer than half of surveyed contractors are eligible for advance payments.** Those with the smallest budgets and those with BIPOC leadership are the least likely to receive them.



### Prompt Payment Act

**Almost half of all respondents were unclear how the Prompt Payment Act applies to their contracts.** Services for rural populations, people living with disabilities, and led by BIPOC leaders were less likely to be eligible.



### Contract Delays

**The State issued late contracts more than 50% of the time,** which disproportionately and negatively impacted services in Cook County, services in rural areas, and organizations with the smallest budgets.

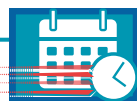


### Timely Payments

**At least 25% of state contracts are not paid on a timely ongoing basis.** Organizations with the smallest budgets and those serving BIPOC communities are more likely to be paid late.

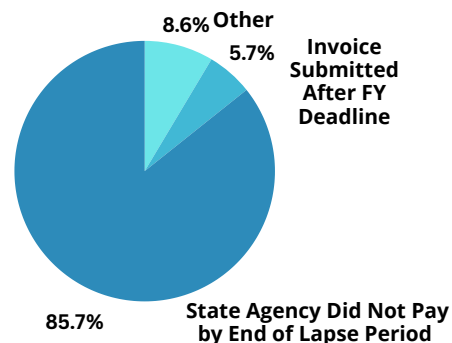
### Accruing Receivables

**At any given time, the State owes millions of dollars to HHS contractors;** the average receivable is almost \$350,000 and over 6 months old and more than half of receivables reported are owed to BIPOC-led/serving organizations.



### Court of Claims

**Over 85% of the pending Court of Claims reported resulted from the State not paying invoice(s) before the end of the lapse period.** Claims ranged from ~\$1,000 to ~\$600,000 and the oldest claim is almost seven years old.



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