**Section 120.60 Grantee Selection**

a) In areas of the State where the grantee's CSBG funding has been terminated in accordance with Section 120.55, the Department will initiate a process to select a successor agency in accordance with Sections 673 and 676 of the Act (42 USC 9902 and 9908). The grantee selection process will be initiated in a timely manner (process to select successor agency as defined in this Section shall not exceed 120 days) so as not to cause undue program delays or interruptions.

1) The following are eligible for CSBG 90% funding:

A) Any organization which was officially recognized as a Community Action agency (CAA) under the provisions of Section 210 of the Economic Opportunity Act of 1964 as amended, unless such organization lost its recognition as a result of failure to comply with the Act.

B) Any organization officially recognized as a CAA by the Governor, or his duly authorized representative, under the provisions of this Part and in accordance with the Illinois Economic Opportunity Act. Organizations eligible for State CAA recognition include:

i) Any non-profit private community organization serving a jurisdiction of at least 100,000 population, designated by the governments of the jurisdiction, determined to be capable of planning, conducting and administering a community services program under criteria described in Section 120.50 and having a Board which meets the provisions outlined in Section 120.70.

ii) Any city within the State with a population in excess of 100,000 or a county or group of contiguous counties with a minimum population base of 100,000. The governmental unit must be capable of planning, conducting and administering a community services program under criteria described in Section 120.50 and must have an Administering Board in accordance with Section 120.70. (The 100,000 population base referenced in subsections (a)(1)(B)(i) and (ii) is waived for CAAs designated and recognized prior to this amendatory rulemaking.)

2) Notification and Special Solicitation

A) The Department shall notify, in writing, each contiguous existing CSBG eligible entity and others within reasonable proximity (corporate headquarters of the eligible entity is within 50 miles of the boundary of the area to be served), that the area is presently unserved by the CSBG program, and the Department is seeking a successor agency. In its notification, the Department shall advise the agency to request, if interested, an application package in order to apply for CSBG service provision in the area to be served. The agency shall have 10 days from date of notice to request the application package. The requests shall be directed to the Manager of the Division of Economic Opportunity.

B) The Department will allow the requesting agency 45 days from the date of mailing the application package, to complete the application and submit three copies to the Department. The Department will adhere to this 45 day period, unless the agency which requested the application package communicates to the Department its lack of interest in applying.

C) The Department will respond in writing indicating acceptance or rejection of any application from an existing eligible entity within 10 days after receipt of the application.

D) If the special solicitation period for the existing eligible entities produces no interest or no acceptable service delivery applications (applications did not meet the criteria specified in Sections 120.50 and 120.60(a)(3)), the Department will solicit applications from organizations within the service delivery areas as specified in subsections (a)(1)(B)(i) and (ii) of this Section.

3) Application Contents

In addition to the requirements found in Section 120.50, the application for CSBG service delivery shall include the following:

A) The applicant must demonstrate the support of the public, private and client sectors of the population in the service delivery area (e.g., results of public hearings, letters of support).

B) The applicant must obtain the formal designation (documented resolution) or intent to designate from the principal governing bodies in the service delivery area.

C) The application must include detailed information on how the required community action agency board will be constituted (see Section 120.70). (For existing eligible entities applying for the new service delivery area, this information must specify how the representatives of the new area will become a part of the of the applicant's existing CSBG administering/governing board.)

D) The application must demonstrate how service delivery will be made available to all geographic areas of the service delivery area and how all elements of the area's eligible population will be reached.

E) The applicant agency must supply the following information that describes its base and purpose:

i) statement of the mission of the agency;

ii) organizational chart of the agency; and

iii) written assurances that the applicant agency is a legally established entity with authority to operate in the service area for which the application is being submitted.

F) The applicant agency must supply the following information that describes agency experience:

i) a history;

ii) a description of past experience (if any) in providing services to the proposed target group (i.e., impoverished population); and

iii) a description of services currently delivered by the agency that are related or complementary to this program.

G) The applicant agency must provide the following information regarding its Equal Employment Opportunity/Affirmative Action Policies:

i) written documentation which indicates compliance with equal opportunity and affirmative action regulations (Affirmative Action Plan, see Section 120.50(b)(2)); and

ii) the applicant must supply a written statement as to whether the applicant has been party to any proceedings or litigation with regard to equal employment opportunity or affirmative action investigations or complaints conducted by or filed with the Illinois Department of Human Rights or the U.S. Equal Employment Opportunity Commission. If so, a description of the nature of the investigation or complaint and the case resolution or anticipated date of resolution if such case is pending.

4) Application Format

The format for the application will be in accordance with Section 120.50. Forms will be provided by the Department and will be a part of the application package provided to the applicant.

5) Evaluation of Applications

A) Applications must meet all the requirements of Sections 120.50 and 120.60(a)(3) to be placed in consideration for funding.

B) The decision process will include an evaluation of the following agency attributes:

i) ability to conduct multiple programs, with a variety of staff members and funding sources;

ii) have traditionally served impoverished populations in their area (e.g., low-income minorities, youth, elderly, etc.);

iii) have coordinated their programs with other area antipoverty programs;

iv) have included the recipients of their services in agency decision-making (see Section 120.70);

v) have the support of the local governments of the counties that shall be evidenced through formal resolutions, letters of endorsement;

vi) can demonstrate that they have effectively provided those services to their clients that are specified by the agency's mission (e.g., agency performance records);

vii) provide the highest ratio between the amount of grant funds to be used for direct services and the amount to be used for administrative expenses (i.e., project low administrative costs);

viii) propose multiple programs which emphasize the priorities of the Department (see Section 120.110);

ix) address specific local needs (e.g., job creation, housing, education);

x) have well-defined outcome measures that can be monitored and used to evaluate the success in promoting self-sufficiency, family stability, and community revitalization;

xi) utilize CSBG funding to leverage other funds and services that will benefit the poor in the community; and

xii) propose coordination and form partnerships with other low-income residents of the communities, including religious organizations.

C) Applications must address one or more of the program priorities described in Section 120.110, with the highest priority being placed on economic development programs which create jobs.

D) The Department will give special consideration, in its selection, to agencies with prior experience in operating similar or other Department funded programs and with documented records of compliance with rules, regulations, and grant conditions relating to their program operation.

E) The Department will conduct and give special consideration to the results of a public hearing in which competing agencies are provided the opportunity to present their case for selection to the public in the area to be served by the program.

F) The Department will consult with and take into account the recommendations of the principal governing bodies in the service delivery area.

G) The final decision will be based upon the weight of the facts and recommendations found in subsections (a)(5)(A)-(F). The most effective, efficient and well coordinated program delivery system available will be selected.

b) Interim Service Provision

When the CSBG funding of an eligible entity is suspended, pending termination (in accordance with Section 120.55) and expected to undergo federal review, appeals, and/or litigation, the Department will, within 30 days after its decision to terminate funding, initiate the following steps to establish an interim provider.

1) First preference for interim service provision will be given to a fiscal/operating agreement with the Illinois Community Action Association (ICAA). The Department will select another interim service mechanism only if the ICAA declines or if agreement cannot be reached on the interim services contract.

2) Establish the services for an interim period through a fiscal/operating agreement with:

A) a contiguous Community Action Agency, or

B) contracted services of a local public or not-for-profit agency with experience in human service delivery (e.g., Head Start Program, Food Commodity Program, and Women, Infants, Children (WIC) Program), or

C) directly provide the services.

c) Discretionary Funding Eligibility

CSBG discretionary funds may be awarded to entities other than those listed in this Part when it is determined by the Department to be in the best interest of the CSBG program and consistent with the Governor's CSBG assurances and Section 120.40 of this Part.

(Source: Amended at 27 Ill. Reg. 7986, effective April 28, 2003)