

**INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN
THE ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
AND
THE ILLINOIS STATE BOARD OF EDUCATION
REGARDING DIRECT CERTIFICATION AND DIRECT VERIFICATION
2012-37-004**

This Intergovernmental Agreement (the "Agreement") is hereby made and entered into as of the date of execution by and between the Illinois Department of Healthcare and Family Services (hereafter "HFS") and the Illinois State Board of Education (hereafter "ISBE") (collectively, the "Parties" and each a "Party"), pursuant to and as authorized by the Richard B. Russell National School Lunch Act (42 U.S.C. § 1751 et seq.) ("School Lunch Act"), as amended by the Healthy, Hunger-Free Kids Act of 2010 ("HHFKA") (Public Law 111-296).

WHEREAS, ISBE is the state agency in Illinois responsible for ensuring that educational services are provided to all eligible children in Illinois (105 ILCS 5/1A-4), and administering the National School Lunch Program ("NSLP") (42 U.S.C. § 1751 et seq., 7 C.F.R. § 210 et seq., 105 ILCS 125/0.05 et seq.), the School Breakfast Program ("SBP") (42 U.S.C. § 1773, 7 C.F.R. § 220 et seq., 105 ILCS 125/0.01 et seq.), the Special Milk Program (42 U.S.C. § 1772, 7 C.F.R. § 215 et seq., 505 ILCS 95/1 et seq.), the Child and Adult Care Food Program ("CACFP") (42 U.S.C. § 1766, 7 C.F.R. Part 226), and the Summer Food Service Program ("SFSP") (42 U.S.C. § 1761, 7 C.F.R. Part 227, 105 ILCS 126/0.01 et seq.) in Illinois ("Child Nutrition Programs");

WHEREAS, HFS is the state agency in Illinois that is responsible for providing healthcare coverage for adults and children who qualify for Medicaid along with an array of other comprehensive and coordinated healthcare and family services pursuant to the Illinois Public Aid Code (20 ILCS 2205/2205-5, 305 ILCS 5/1-1 et seq., 89 Ill. Adm. Code 101.1 – 160.160).

WHEREAS, the School Lunch Act (42 U.S.C. § 1751 et seq.) allows direct certification for free school meals for any child included in one of the means-tested programs specified in the law, including children eligible for medical assistance program established under Title XIX of the Social Security Act, both regular Medicaid and expanded Medicaid, and excluding Children's Health Insurance Programs (CHIP program under Title XXI) ("Direct Certification") and gives school districts the option of using data available from the Medicaid Program, in addition to other means-tested programs specified in the law, to verify eligibility for free or reduce-price meals ("Direct Verification");

WHEREAS, the School Lunch Act requires continuous improvement in the Direct Certification and Direct Verification of children who are eligible for free and reduced price meals/milk through means-tested programs specified in the law, including Medicaid established under Title XIX of the Social Security Act, both regular and expanded Medicaid;

WHEREAS, the State plan for medical assistance ("State Plan") must provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the exchange of information necessary to certify or verify the certification of eligibility of children for free or reduced price breakfasts under the Child Nutrition Act of 1966 and free or reduced price lunches under the Richard B. Russell National School Lunch Act, using data standards and formats established by the Parties (42 U.S.C.A. § 1396a(a)(7)(A)(ii));

WHEREAS, the State Plan must provide that HFS may enter into an agreement with ISBE, as the State agency charged with administering the school lunch program established under the Richard B. Russell National School Lunch Act under which the State shall establish procedures to ensure that a child receiving medical assistance under the State Plan established under subchapter XIX, Chapter 7, Title 42 of the U.S. Code, whose family income does not exceed 133 percent of the poverty line (as defined in section 9902(2) of Title 42, including any revision required by such section), as determined without regard to any expense, block, or other income disregard, applicable to a family of the size involved, may be certified as eligible for free lunches under the Richard B. Russell National School Lunch Act and free breakfasts under the Child Nutrition Act of 1966 without further application (42 U.S.C.A. § 1396a(a)(7)(B)(i));

WHEREAS, the State Plan must provide that HFS and ISBE shall cooperate in carrying out paragraphs (b)(3)(F) and (b)(15) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq. (42 U.S.C.A. § 1396a(a)(7)(B)(ii)); and

WHEREAS, HFS and ISBE are empowered under the Illinois Constitution (Ill. Const., Art. VII, Sec. 10) and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) to contract with each other in any manner not prohibited by law;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

Article I. Mutual Responsibilities

- 1. Purpose.** HFS and ISBE agree that the purpose of this Agreement is to set out the requirements and process for Direct Certification and Direct Verification as required by the Healthy Hunger-Free Kids Act of 2010 (Public Law 111-296). The Direct Certification and Direct Verification processes identify children in the means-tested program specified in the law for children receiving medical assistance under the State Plan established under subchapter XIX, Chapter 7, Title 42 of the U.S. Code, whose family income does not exceed 133 percent of the poverty line (as defined in section 9902(2) of Title 42, including any revision required by such section), as determined without regard to any expense, block, or other income disregard, applicable to a family of the size involved, for purposes of providing these children free meals/milk under the Child Nutrition Programs.
- 2. Population.** For purposes of Direct Certification/Direct Verification under this Agreement, the "Target Population" is, children in Illinois between the ages of birth through and including age 21 who are receiving medical assistance under the State Plan established under subchapter XIX, Chapter 7, Title 42 of the U.S. Code, whose family income does not exceed 133 percent of the poverty line (as defined in section 9902(2) of Title 42, including any revision required by such section), as determined without regard to any expense, block, or other income disregard, applicable to a family of the size involved.
- 3. Direct Certification.** Eligibility for free meals/milk determined via Direct Certification is for free meals in all public schools in Illinois and in all nonpublic schools participating in the NSLP and/or SBP, or free milk in schools participating in the Special Milk Program, or free meals and/or snacks in day care centers or family day care homes participating in the CACFP and the SFSP. Direct Certification eligibility is in lieu of the Households' completion of the Household Eligibility Application for meal or milk benefits in participating schools or day care centers/homes.

4. **Coordination.** HFS and ISBE shall coordinate internal and interagency procedures to facilitate, as necessary, the implementation of this Agreement.
5. **Confidentiality.** HFS, ISBE and contractors of either agency will protect the confidentiality of information concerning eligible recipients in accordance with all applicable Federal and State laws regarding such proprietary information, including but not limited to, the School Lunch Act (42 U.S.C. § 1758(b)(2)(C)(iii)), the Family Education Rights and Privacy Act (20 U.S.C. § 1232g), the Illinois Schools Student Records Act (105 ILCS 10/1 *et seq.*), the Public Aid Code (305 ILCS 5/11-9), and the Social Security Act (42 U.S.C. § 1396a(a)(7)).
6. **Direct Verification.** ISBE shall use provided data to conduct a state-level, electronic, Direct Verification process as allowable via USDA requirements.

Article II. DHFS Responsibilities

1. HFS will develop, install and maintain computer programming to establish the Target Population for Direct Certification/Direct Verification and assume all responsibilities related thereto, including all associated costs.
2. Beginning as early as May 1, 2012 but no later than July 2012, DHFS will provide to ISBE monthly, on a date mutually agreed upon by both Parties, an electronic file of the Target Population ("Direct Certification/Direct Verification File"). The Direct Certification/Direct Verification File shall be a fixed length column file, and will provide the following information:

| Field Name | Type | Length |
|-----------------------------|-----------|-----------------|
| FirstName | Character | 10 |
| LastName | Character | 14 |
| ZipCode | Numeric | 5 |
| StreetAddress | Character | 37 |
| State | Character | 2 |
| City | Character | 21 |
| Gender | Character | 1 |
| Birthdate | Date | 10 ^a |
| CaseNumber | Numeric | 13 ^b |
| Target Population Indicator | Character | 3 |

^a Format = mm/dd/yyyy. Slash characters are included in data. Data shall include only those individuals Age 22 (special education students who begin the school year at age 21, may complete the school year in which they turn age 22) or younger at the time each monthly Direct Certification/Direct Verification File is provided.

^b Assumes dashes are not included in data.

3. The Direct Certification/Direct Verification File will be provided by HFS to ISBE in an agreed upon secure method.

Article III. ISBE Responsibilities

1. ISBE will create, install and maintain a secure electronic system for use by ISBE and Child Nutrition Program sponsors in compliance with all USDA rules and regulations for the purposes of Direct Certification/Direct Verification and assume all responsibilities related thereto, including all associated costs.
2. ISBE shall advise and assist Child Nutrition Program sponsors regarding the Direct Certification/Direct Verification process by providing educational materials and/or in-service-training, as necessary.

Article IV. General Provisions

1. This Agreement shall be effective upon the signing of this Agreement, and shall terminate on June 30, 2014. Thereafter, this Agreement will be automatically renewed and extended for successive one (1) year periods, unless a Party gives written notice to the other Party that it will not renew at least ninety (90) days prior to the expiration of this Agreement.
2. Notwithstanding the funding provisions of this Agreement, in the event that DHFS or ISBE funding for this purpose is materially changed during the Term of this Agreement, the Party with the material funding change shall immediately inform the other Party and the Parties shall negotiate diligently and in good faith to amend this Agreement to continue the services to the greatest extent possible.
3. All notices or other correspondence required to be given to either Party pursuant to this Agreement shall be sent by facsimile or delivered or mailed to the following addresses:

Illinois State Board of Education
Title: Division Administrator
Nutrition Programs
100 North First Street
Springfield, IL 62777
Facsimile: (217) 524-6124

Illinois Department of Healthcare and Family Services
Title: Director
201 S. Grand Avenue East
Springfield, IL

4. The Parties hereto shall attempt by negotiation to resolve any disagreements and misunderstandings between them pertinent to the implementation of this Agreement.
5. This Agreement shall be governed by, subject to and construed under the laws of the State of Illinois without regard to its conflicts of law provisions.
6. No waiver of any breach of this Agreement shall be held as a waiver of any other or subsequent breach.

- 7. This Agreement may be executed in one or more counterparts, all of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Signatures received by facsimile or signatures contained in a Portable Document Format (PDF) document by either of the Parties shall have the same effect as original signatures.**
- 8. This Agreement, including the rights, benefits and duties hereunder, shall not be assignable by either Party without the prior written consent of the other Party.**
- 9. This Agreement, as may be amended from time to time, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes any other negotiations or agreements, whether written or oral.**
- 10. Each Party represents and warrants to the other that this Agreement has been duly authorized, executed and delivered by and on behalf of each such Party, and constitutes the legal, valid and binding agreement of said Party.**
- 11. Both Parties shall maintain books and records pertaining to this Agreement. Books and records, including information stored in databases or other computer systems, shall be maintained by both Parties for a period of three (3) years following the expiration of the Term of this Agreement. The record retention period shall be extended for the duration of any audit in progress during the Term. Books and records required to be maintained under this section shall be available for review or audit by representatives of both Parties, the Auditor General, and other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. The Parties shall cooperate fully with any such audit. No charges shall be imposed for audit or examination of either Party's books and records.**
- 12. This Agreement may be amended only by a written instrument signed by both Parties hereto.**
- 13. In the event that any provision of this Agreement or the application thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law.**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

Illinois State Board of Education

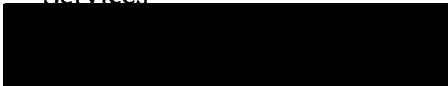


Christopher A. Koch, Ed.D
State Superintendent of Education

6/12/12

Date

Illinois Department of Healthcare & Family Services



Julie Mamos
Director

6/14/12

Date



Marcilene Dutton
Acting General Counsel

6.15.12

Date