

1 AN ACT concerning education.

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

4 Section 5. The Higher Education Student Assistance Act is  
5 amended by adding Section 152 as follows:

6 (110 ILCS 947/152 new)

7 Sec. 152. Bonds guaranteed by the State of Illinois.  
8 Notwithstanding any other provision of this Act, bonds issued  
9 in accordance with the provisions of this Act may be designated  
10 by the Commission as guaranteed by the State of Illinois, and  
11 any bonds so designated shall so state on the face thereof.  
12 This guarantee shall constitute a general obligation of the  
13 State of Illinois, and the full faith, credit, and resources of  
14 the State of Illinois are hereby irrevocably pledged for the  
15 punctual payment of the principal of, interest on, and premium,  
16 if any, on any such bond as the same shall become due, whether  
17 at maturity or upon any earlier redemption date. The provisions  
18 of this Section shall be irrepealable until all such bonds are  
19 paid in full as to both principal and interest. Any bonds  
20 designated pursuant to this Section shall be issued by the  
21 Commission on or prior to December 31, 2009 and shall be  
22 limited in aggregate principal issuance amount to not greater  
23 than \$50,000,000.

1       Upon written notice to the Governor from the Chairperson of  
2 the Commission that the Commission has determined that amounts  
3 pledged pursuant to Section 150 of this Act to pay the bonds  
4 will not be sufficient for the payment of amounts due with  
5 respect to the bonds during the next State of Illinois fiscal  
6 year, the Governor shall include an appropriation in the State  
7 of Illinois budget for the next fiscal year with respect to the  
8 bonds. The appropriation shall be for such amount as determined  
9 by the Commission. Amounts included in the appropriation for  
10 the payment of interest on variable rate bonds may, at the  
11 determination of the Commission, be up to the maximum amount of  
12 interest that may be payable for the period covered by the  
13 budget; provided that any amounts appropriated for interest on  
14 variable rate bonds in excess of amounts necessary to pay the  
15 interest shall promptly be reimbursed by the Commission to the  
16 State of Illinois.

17       If for any reason the General Assembly fails to make  
18 appropriations sufficient to pay the principal of, interest on,  
19 and premium, if any, on the bonds, as the same by their terms  
20 shall become due, this Section shall constitute an irrevocable  
21 and continuing appropriation of all amounts necessary for that  
22 purpose and the irrevocable and continuing authority for and  
23 direction to the State Treasurer and the State Comptroller to  
24 make the necessary transfers, as directed by the Governor, out  
25 of and disbursements from the revenues and funds of the State  
26 of Illinois.

1       The State of Illinois pledges and agrees that it will not  
2       limit or alter the rights and powers vested in the Commission  
3       in this Section so as to impair the terms of any such  
4       irrevocable guarantee of the State of Illinois until each such  
5       guarantee is satisfied in full or the bonds shall have  
6       otherwise been paid in full.

7       If the State of Illinois fails to honor any guarantee made  
8       pursuant to this Section, a civil action to compel payment may  
9       be instituted in the Supreme Court of Illinois as a court of  
10       original jurisdiction by any holder or holders of the bonds to  
11       which such failure relates. Delivery of a summons and a copy of  
12       the complaint to the Attorney General shall constitute  
13       sufficient service to give the Supreme Court of Illinois  
14       jurisdiction of the subject matter of such a suit and  
15       jurisdiction over the State of Illinois and its officers named  
16       as defendants for the purpose of compelling such payment. Any  
17       case, controversy, or cause of action concerning the validity  
18       of this Section relates to the revenue of the State of  
19       Illinois.

20       If the Supreme Court of Illinois denies any holder or  
21       holders of bonds leave to file an original action in the  
22       Supreme Court, the holder or holders may bring such action in  
23       the Circuit Court of Sangamon County.

24       Section 99. Effective date. This Act takes effect upon  
25       becoming law.