



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB1712

Introduced 2/20/2015, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

110 ILCS 947/35

Amends the Higher Education Student Assistance Act. With respect to the monetary award program, provides that, prior to receiving grant assistance for any academic year, each recipient of a grant shall be required to sign an agreement under which the recipient pledges that, within the one-year period following the termination of the academic program for which the recipient was awarded a grant, the recipient shall reside and work in this State for a period of not less than 5 consecutive years. Provides that if the recipient fails to fulfill this obligation, the Illinois Student Assistance Commission shall require the recipient to repay, over the next 10 years, the amount of all of the grants he or she received, prorated according to the fraction of the obligation not completed, plus interest at a rate of 5% and, if applicable, reasonable collection fees; sets forth exceptions.

LRB099 06160 NHT 26218 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 changing Section 35 as follows:

6 (110 ILCS 947/35)

7 Sec. 35. Monetary award program.

8 (a) The Commission shall, each year, receive and consider
9 applications for grant assistance under this Section. Subject
10 to a separate appropriation for such purposes, an applicant is
11 eligible for a grant under this Section when the Commission
12 finds that the applicant:

13 (1) is a resident of this State and a citizen or
14 permanent resident of the United States; and

15 (2) in the absence of grant assistance, will be
16 deterred by financial considerations from completing an
17 educational program at the qualified institution of his or
18 her choice.

19 (b) The Commission shall award renewals only upon the
20 student's application and upon the Commission's finding that
21 the applicant:

22 (1) has remained a student in good standing;

23 (2) remains a resident of this State; and

1 (3) is in a financial situation that continues to
2 warrant assistance.

3 (c) All grants shall be applicable only to tuition and
4 necessary fee costs. The Commission shall determine the grant
5 amount for each student, which shall not exceed the smallest of
6 the following amounts:

7 (1) subject to appropriation, \$5,468 for fiscal year
8 2009, \$5,968 for fiscal year 2010, and \$6,468 for fiscal
9 year 2011 and each fiscal year thereafter, or such lesser
10 amount as the Commission finds to be available, during an
11 academic year;

12 (2) the amount which equals 2 semesters or 3 quarters
13 tuition and other necessary fees required generally by the
14 institution of all full-time undergraduate students; or

15 (3) such amount as the Commission finds to be
16 appropriate in view of the applicant's financial
17 resources.

18 Subject to appropriation, the maximum grant amount for
19 students not subject to subdivision (1) of this subsection (c)
20 must be increased by the same percentage as any increase made
21 by law to the maximum grant amount under subdivision (1) of
22 this subsection (c).

23 "Tuition and other necessary fees" as used in this Section
24 include the customary charge for instruction and use of
25 facilities in general, and the additional fixed fees charged
26 for specified purposes, which are required generally of

1 nongrant recipients for each academic period for which the
2 grant applicant actually enrolls, but do not include fees
3 payable only once or breakage fees and other contingent
4 deposits which are refundable in whole or in part. The
5 Commission may prescribe, by rule not inconsistent with this
6 Section, detailed provisions concerning the computation of
7 tuition and other necessary fees.

8 (d) No applicant, including those presently receiving
9 scholarship assistance under this Act, is eligible for monetary
10 award program consideration under this Act after receiving a
11 baccalaureate degree or the equivalent of 135 semester credit
12 hours of award payments.

13 (e) The Commission, in determining the number of grants to
14 be offered, shall take into consideration past experience with
15 the rate of grant funds unclaimed by recipients. The Commission
16 shall notify applicants that grant assistance is contingent
17 upon the availability of appropriated funds.

18 (e-5) The General Assembly finds and declares that it is an
19 important purpose of the Monetary Award Program to facilitate
20 access to college both for students who pursue postsecondary
21 education immediately following high school and for those who
22 pursue postsecondary education later in life, particularly
23 Illinoisans who are dislocated workers with financial need and
24 who are seeking to improve their economic position through
25 education. For the 2015-2016 and 2016-2017 academic years, the
26 Commission shall give additional and specific consideration to

1 the needs of dislocated workers with the intent of allowing
2 applicants who are dislocated workers an opportunity to secure
3 financial assistance even if applying later than the general
4 pool of applicants. The Commission's consideration shall
5 include, in determining the number of grants to be offered, an
6 estimate of the resources needed to serve dislocated workers
7 who apply after the Commission initially suspends award
8 announcements for the upcoming regular academic year, but prior
9 to the beginning of that academic year. For the purposes of
10 this subsection (e-5), a dislocated worker is defined as in the
11 federal Workforce Investment Act of 1998.

12 (f) The Commission may request appropriations for deposit
13 into the Monetary Award Program Reserve Fund. Monies deposited
14 into the Monetary Award Program Reserve Fund may be expended
15 exclusively for one purpose: to make Monetary Award Program
16 grants to eligible students. Amounts on deposit in the Monetary
17 Award Program Reserve Fund may not exceed 2% of the current
18 annual State appropriation for the Monetary Award Program.

19 The purpose of the Monetary Award Program Reserve Fund is
20 to enable the Commission each year to assure as many students
21 as possible of their eligibility for a Monetary Award Program
22 grant and to do so before commencement of the academic year.
23 Moneys deposited in this Reserve Fund are intended to enhance
24 the Commission's management of the Monetary Award Program,
25 minimizing the necessity, magnitude, and frequency of
26 adjusting award amounts and ensuring that the annual Monetary

1 Award Program appropriation can be fully utilized.

2 (g) The Commission shall determine the eligibility of and
3 make grants to applicants enrolled at qualified for-profit
4 institutions in accordance with the criteria set forth in this
5 Section. The eligibility of applicants enrolled at such
6 for-profit institutions shall be limited as follows:

7 (1) Beginning with the academic year 1997, only to
8 eligible first-time freshmen and first-time transfer
9 students who have attained an associate degree.

10 (2) Beginning with the academic year 1998, only to
11 eligible freshmen students, transfer students who have
12 attained an associate degree, and students who receive a
13 grant under paragraph (1) for the academic year 1997 and
14 whose grants are being renewed for the academic year 1998.

15 (3) Beginning with the academic year 1999, to all
16 eligible students.

17 (h) Prior to receiving grant assistance for any academic
18 year, each recipient of a grant under this Section shall be
19 required by the Commission to sign an agreement under which the
20 recipient pledges that, within the one-year period following
21 the termination of the academic program for which the recipient
22 was awarded a grant, the recipient shall reside and work in
23 this State for a period of not less than 5 consecutive years.
24 Each recipient shall, upon request of the Commission, provide
25 the Commission with evidence that he or she is fulfilling or
26 has fulfilled the terms of the agreement provided for in this

1 subsection (h).

2 If a recipient of a grant under this Section fails to
3 fulfill the obligation set forth in this subsection (h), the
4 Commission shall require the recipient to repay, over the next
5 10 years, the amount of all of the grants he or she received
6 under this Section, prorated according to the fraction of the
7 obligation not completed, plus interest at a rate of 5% and, if
8 applicable, reasonable collection fees. The Commission is
9 authorized to establish rules relating to its collection
10 activities for repayment of grants under this Section,
11 including without limitation referring the matter to a
12 collection agency or to the Attorney General or instituting a
13 civil suit.

14 A recipient of a grant under this Section shall not be in
15 violation of the agreement entered into pursuant to this
16 subsection (h) if the recipient (i) is serving as a member of
17 the armed services of the United States; (ii) is unable to find
18 employment following graduation from a qualified institution;
19 (iii) is temporarily totally disabled, as established by sworn
20 affidavit of a qualified physician; or (iii) cannot fulfill the
21 obligation due to his or her death, disability, or
22 incompetency, as established by sworn affidavit of a qualified
23 physician, or due to family hardship, as approved by the
24 Commission. No claim for repayment may be filed against the
25 estate of a decedent or incompetent. Any extension of the
26 period during which the obligation must be fulfilled shall be

1 subject to limitations of duration as established by the
2 Commission.

3 (Source: P.A. 98-967, eff. 8-15-14.)