



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1393

Introduced 2/13/2019, by Sen. Pat McGuire

SYNOPSIS AS INTRODUCED:

5 ILCS 140/7.5
15 ILCS 505/16.8 new

Amends the State Treasurer Act. Provides that the State Treasurer shall establish the Illinois Higher Education Savings Program for the purpose of expanding access to higher education through savings. Provides for enrollment in the Program. Provides further duties and requirements of the Treasurer regarding the Program. Creates the Illinois Higher Education Savings Program Fund as a fund held outside of the State treasury to be the official repository of all contributions, appropriations, interest, and dividend payments, gifts, or other financial assets received by the State Treasurer in connection with operation of the Program or related partnerships. Provides for audits and reports concerning the Program. Allows the Treasurer to adopt any rules that may be necessary to implement the Program. Amends the Freedom of Information Act to provide an exemption for information that is exempt from disclosure under the Illinois Higher Education Savings Program.

LRB101 08247 RJF 53313 b

1 AN ACT concerning State government.

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

4 Section 5. The Freedom of Information Act is amended by
5 changing Section 7.5 as follows:

6 (5 ILCS 140/7.5)

7 Sec. 7.5. Statutory exemptions. To the extent provided for
8 by the statutes referenced below, the following shall be exempt
9 from inspection and copying:

10 (a) All information determined to be confidential
11 under Section 4002 of the Technology Advancement and
12 Development Act.

13 (b) Library circulation and order records identifying
14 library users with specific materials under the Library
15 Records Confidentiality Act.

16 (c) Applications, related documents, and medical
17 records received by the Experimental Organ Transplantation
18 Procedures Board and any and all documents or other records
19 prepared by the Experimental Organ Transplantation
20 Procedures Board or its staff relating to applications it
21 has received.

22 (d) Information and records held by the Department of
23 Public Health and its authorized representatives relating

1 to known or suspected cases of sexually transmissible
2 disease or any information the disclosure of which is
3 restricted under the Illinois Sexually Transmissible
4 Disease Control Act.

5 (e) Information the disclosure of which is exempted
6 under Section 30 of the Radon Industry Licensing Act.

7 (f) Firm performance evaluations under Section 55 of
8 the Architectural, Engineering, and Land Surveying
9 Qualifications Based Selection Act.

10 (g) Information the disclosure of which is restricted
11 and exempted under Section 50 of the Illinois Prepaid
12 Tuition Act.

13 (h) Information the disclosure of which is exempted
14 under the State Officials and Employees Ethics Act, and
15 records of any lawfully created State or local inspector
16 general's office that would be exempt if created or
17 obtained by an Executive Inspector General's office under
18 that Act.

19 (i) Information contained in a local emergency energy
20 plan submitted to a municipality in accordance with a local
21 emergency energy plan ordinance that is adopted under
22 Section 11-21.5-5 of the Illinois Municipal Code.

23 (j) Information and data concerning the distribution
24 of surcharge moneys collected and remitted by carriers
25 under the Emergency Telephone System Act.

26 (k) Law enforcement officer identification information

1 or driver identification information compiled by a law
2 enforcement agency or the Department of Transportation
3 under Section 11-212 of the Illinois Vehicle Code.

4 (l) Records and information provided to a residential
5 health care facility resident sexual assault and death
6 review team or the Executive Council under the Abuse
7 Prevention Review Team Act.

8 (m) Information provided to the predatory lending
9 database created pursuant to Article 3 of the Residential
10 Real Property Disclosure Act, except to the extent
11 authorized under that Article.

12 (n) Defense budgets and petitions for certification of
13 compensation and expenses for court appointed trial
14 counsel as provided under Sections 10 and 15 of the Capital
15 Crimes Litigation Act. This subsection (n) shall apply
16 until the conclusion of the trial of the case, even if the
17 prosecution chooses not to pursue the death penalty prior
18 to trial or sentencing.

19 (o) Information that is prohibited from being
20 disclosed under Section 4 of the Illinois Health and
21 Hazardous Substances Registry Act.

22 (p) Security portions of system safety program plans,
23 investigation reports, surveys, schedules, lists, data, or
24 information compiled, collected, or prepared by or for the
25 Regional Transportation Authority under Section 2.11 of
26 the Regional Transportation Authority Act or the St. Clair

1 County Transit District under the Bi-State Transit Safety
2 Act.

3 (q) Information prohibited from being disclosed by the
4 Personnel Record ~~Records~~ Review Act.

5 (r) Information prohibited from being disclosed by the
6 Illinois School Student Records Act.

7 (s) Information the disclosure of which is restricted
8 under Section 5-108 of the Public Utilities Act.

9 (t) All identified or deidentified health information
10 in the form of health data or medical records contained in,
11 stored in, submitted to, transferred by, or released from
12 the Illinois Health Information Exchange, and identified
13 or deidentified health information in the form of health
14 data and medical records of the Illinois Health Information
15 Exchange in the possession of the Illinois Health
16 Information Exchange Authority due to its administration
17 of the Illinois Health Information Exchange. The terms
18 "identified" and "deidentified" shall be given the same
19 meaning as in the Health Insurance Portability and
20 Accountability Act of 1996, Public Law 104-191, or any
21 subsequent amendments thereto, and any regulations
22 promulgated thereunder.

23 (u) Records and information provided to an independent
24 team of experts under the Developmental Disability and
25 Mental Health Safety Act (also known as Brian's Law).

26 (v) Names and information of people who have applied

1 for or received Firearm Owner's Identification Cards under
2 the Firearm Owners Identification Card Act or applied for
3 or received a concealed carry license under the Firearm
4 Concealed Carry Act, unless otherwise authorized by the
5 Firearm Concealed Carry Act; and databases under the
6 Firearm Concealed Carry Act, records of the Concealed Carry
7 Licensing Review Board under the Firearm Concealed Carry
8 Act, and law enforcement agency objections under the
9 Firearm Concealed Carry Act.

10 (w) Personally identifiable information which is
11 exempted from disclosure under subsection (g) of Section
12 19.1 of the Toll Highway Act.

13 (x) Information which is exempted from disclosure
14 under Section 5-1014.3 of the Counties Code or Section
15 8-11-21 of the Illinois Municipal Code.

16 (y) Confidential information under the Adult
17 Protective Services Act and its predecessor enabling
18 statute, the Elder Abuse and Neglect Act, including
19 information about the identity and administrative finding
20 against any caregiver of a verified and substantiated
21 decision of abuse, neglect, or financial exploitation of an
22 eligible adult maintained in the Registry established
23 under Section 7.5 of the Adult Protective Services Act.

24 (z) Records and information provided to a fatality
25 review team or the Illinois Fatality Review Team Advisory
26 Council under Section 15 of the Adult Protective Services

1 Act.

2 (aa) Information which is exempted from disclosure
3 under Section 2.37 of the Wildlife Code.

4 (bb) Information which is or was prohibited from
5 disclosure by the Juvenile Court Act of 1987.

6 (cc) Recordings made under the Law Enforcement
7 Officer-Worn Body Camera Act, except to the extent
8 authorized under that Act.

9 (dd) Information that is prohibited from being
10 disclosed under Section 45 of the Condominium and Common
11 Interest Community Ombudsperson Act.

12 (ee) Information that is exempted from disclosure
13 under Section 30.1 of the Pharmacy Practice Act.

14 (ff) Information that is exempted from disclosure
15 under the Revised Uniform Unclaimed Property Act.

16 (gg) Information that is prohibited from being
17 disclosed under Section 7-603.5 of the Illinois Vehicle
18 Code.

19 (hh) Records that are exempt from disclosure under
20 Section 1A-16.7 of the Election Code.

21 (ii) Information which is exempted from disclosure
22 under Section 2505-800 of the Department of Revenue Law of
23 the Civil Administrative Code of Illinois.

24 (jj) Information and reports that are required to be
25 submitted to the Department of Labor by registering day and
26 temporary labor service agencies but are exempt from

1 disclosure under subsection (a-1) of Section 45 of the Day
2 and Temporary Labor Services Act.

3 (kk) Information prohibited from disclosure under the
4 Seizure and Forfeiture Reporting Act.

5 (ll) Information the disclosure of which is restricted
6 and exempted under Section 5-30.8 of the Illinois Public
7 Aid Code.

8 (mm) ~~(ll)~~ Records that are exempt from disclosure under
9 Section 4.2 of the Crime Victims Compensation Act.

10 (nn) ~~(ll)~~ Information that is exempt from disclosure
11 under Section 70 of the Higher Education Student Assistance
12 Act.

13 (oo) Information that is exempt from disclosure under
14 Section 16.8 of the State Treasurer Act.

15 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,
16 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;
17 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
18 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
19 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517,
20 eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19;
21 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; revised
22 10-12-18.)

23 Section 10. The State Treasurer Act is amended by adding
24 Section 16.8 as follows:

1 (15 ILCS 505/16.8 new)

2 Sec. 16.8. Illinois Higher Education Savings Program.

3 (a) Definitions. As used in this Section:

4 "Beneficiary" means an eligible child named as a recipient
5 of seed funds.

6 "College savings account" means a 529 plan account
7 established under Section 16.5.

8 "Eligible child" means a child born or adopted in Illinois
9 after December 31, 2020, as evidenced by documentation received
10 by the Treasurer from the Department of Revenue, the Department
11 of Public Health, or another State or local government agency.

12 "Eligible educational institution" means institutions that
13 are described in Section 1001 of the federal Higher Education
14 Act of 1965 that are eligible to participate in Department of
15 Education student aid programs.

16 "Fund" means the Illinois Higher Education Savings Program
17 Fund.

18 "Omnibus account" means the pooled collection of seed funds
19 owned and managed by the State Treasurer under this Act.

20 "Program" means the Illinois Higher Education Savings
21 Program.

22 "Qualified higher education expense" means the following:
23 (i) tuition, fees, and the costs of books, supplies, and
24 equipment required for enrollment or attendance at an eligible
25 educational institution; (ii) expenses for special needs
26 services, in the case of a special needs beneficiary, which are

1 incurred in connection with such enrollment or attendance;
2 (iii) certain expenses for the purchase of computer or
3 peripheral equipment, computer software, or Internet access
4 and related services as defined under Section 529 of the
5 Internal Revenue Code; and (iv) room and board expenses
6 incurred while attending an eligible educational institution
7 at least half-time.

8 "Seed funds" means the deposit made by the State Treasurer
9 into the Omnibus Accounts for Program beneficiaries.

10 (b) Program established. The State Treasurer shall
11 establish the Illinois Higher Education Savings Program
12 provided that sufficient funds are available. The State
13 Treasurer shall administer the Program for the purposes of
14 expanding access to higher education through savings.

15 (c) Program enrollment. The State Treasurer shall enroll
16 all eligible children in the Program beginning in 2021, after
17 receiving records of recent births, adoptions, or dependents
18 from the Department of Revenue, the Department of Public
19 Health, or another State or local government agency designated
20 by the Treasurer.

21 (1) On and after the effective date of this amendatory
22 Act of the 101st General Assembly, the Department of
23 Revenue and the Department of Public Health shall provide
24 the State Treasurer with information on recent Illinois
25 births, adoptions and dependents including, but not
26 limited to: the full name, residential address, and birth

1 date of the child and the child's parent or legal guardian
2 for the purpose of enrolling eligible children in the
3 Program. This data shall be provided to the State Treasurer
4 by the Department of Revenue and the Department of Public
5 Health on a quarterly basis, no later than 30 days after
6 the end of each quarter.

7 (2) The State Treasurer shall ensure the security and
8 confidentiality of the information provided by the
9 Department of Revenue, the Department of Public Health, or
10 another State or local government agency, and it shall not
11 be subject to release under the Freedom of Information Act.

12 (3) Information provided under this Section shall only
13 be used by the State Treasurer for the Program and shall
14 not be used for any other purpose.

15 (4) The State Treasurer and any vendors working on the
16 Program shall maintain strict confidentiality of any
17 information provided under this Section, and shall
18 promptly provide written or electronic notice to the
19 providing agency of any security breach. The providing
20 State or local government agency shall remain the sole and
21 exclusive owner of information provided under this
22 Section.

23 (d) Seed funds. After receiving information on recent
24 births, adoptions, or dependents from the Department of
25 Revenue, the Department of Public Health, or another State or
26 local government agency, the State Treasurer shall make a

1 deposit into an omnibus account of the Fund on behalf of each
2 eligible child. The State Treasurer shall be the owner of the
3 omnibus accounts. The deposit of seed funds shall be subject to
4 appropriation by the General Assembly.

5 (1) Deposit amount. The seed fund deposit for each
6 eligible child shall be in the amount of \$50. This amount
7 may be increased by the State Treasurer by rule. The State
8 Treasurer may use or deposit funds appropriated by the
9 General Assembly together with moneys received as gifts,
10 grants, or contributions into the Fund. If insufficient
11 funds are available in the Fund, the State Treasurer may
12 reduce the deposit amount or forego deposits.

13 (2) Use of seed funds. Seed funds, including any
14 interest, dividends, and other earnings accrued, will be
15 eligible for use by a beneficiary for qualified higher
16 education expenses if:

17 (A) the parent or guardian of the eligible child
18 claimed the seed funds for the beneficiary by the
19 beneficiary's 10th birthday;

20 (B) the beneficiary has completed secondary
21 education or has reached the age of 18; and

22 (C) the beneficiary is currently a resident of the
23 State of Illinois. Non-residents are not eligible to
24 claim or use seed funds.

25 (3) Notice of seed fund availability. The State
26 Treasurer shall make a good faith effort to notify

1 beneficiaries and their parents or legal guardians of the
2 seed funds' availability and the deadline to claim such
3 funds.

4 (4) Unclaimed seed funds. Seed funds that are unclaimed
5 by the beneficiary's 10th birthday or unused by the
6 beneficiary's 26th birthday will be considered forfeited.
7 Unclaimed and unused seed funds will remain in the omnibus
8 account for future beneficiaries.

9 (e) Financial education. The State Treasurer may develop
10 educational materials that support the financial literacy of
11 beneficiaries and their legal guardians, and may do so in
12 collaboration with State and federal agencies, including, but
13 not limited to, the Illinois State Board of Education and
14 existing nonprofit agencies with expertise in financial
15 literacy and education.

16 (f) Incentives and partnerships. The State Treasurer may
17 develop partnerships with private, nonprofit, or governmental
18 organizations to provide additional incentives for eligible
19 children, including conditional cash transfers or matching
20 contributions that provide a savings incentive based on
21 specific actions taken or other criteria.

22 (g) Illinois Higher Education Savings Program Fund. The
23 Illinois Higher Education Savings Program Fund is hereby
24 established. The Fund shall be the official repository of all
25 contributions, appropriations, interest, and dividend
26 payments, gifts, or other financial assets received by the

1 State Treasurer in connection with operation of the Program or
2 related partnerships. All such moneys shall be deposited in the
3 Fund and held by the State Treasurer as custodian thereof,
4 outside of the State treasury, separate and apart from all
5 public moneys or funds of this State. The State Treasurer may
6 accept gifts, grants, awards, matching contributions, interest
7 income, and appropriations from individuals, businesses,
8 governments, and other third-party sources to implement the
9 Program on terms that the Treasurer deems advisable. All
10 interest or other earnings accruing or received on amounts in
11 the Illinois Higher Education Savings Program Fund shall be
12 credited to and retained by the Fund and used for the benefit
13 of the Program. Assets of the Fund must at all times be
14 preserved, invested, and expended only for the purposes of the
15 Program and must be held for the benefit of the beneficiaries.
16 Assets may not be transferred or used by the State or the State
17 Treasurer for any purposes other than the purposes of the
18 Program. In addition, no moneys, interest, or other earnings
19 paid into the Fund shall be used, temporarily or otherwise, for
20 inter-fund borrowing or be otherwise used or appropriated
21 except as expressly authorized by this Act. Notwithstanding the
22 requirements of this subsection (f), amounts in the Fund may be
23 used by the State Treasurer to pay the administrative costs of
24 the Program.

25 (h) Audits and reports. The State Treasurer shall include
26 the Illinois Higher Education Savings Program as part of the

1 audit of the College Savings Pool described in Section 16.5.
2 The State Treasurer shall annually prepare a report that
3 includes a summary of the Program operations for the preceding
4 fiscal year, including the number of children enrolled in the
5 Program, the total amount of seed fund deposits, and such other
6 information that is relevant to make a full disclosure of the
7 operations of the Program and Fund. The report shall be made
8 available on the Treasurer's website by January 31 each year,
9 starting in January of 2022. The State Treasurer may include
10 the Program in other reports as warranted.

11 (i) Rules. The State Treasurer may adopt rules necessary to
12 implement this Section.