



Higher Education Committee

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09600HB6206ham001

LRB096 20404 NHT 37298 a

1 AMENDMENT TO HOUSE BILL 6206

2 AMENDMENT NO. _____. Amend House Bill 6206 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Prepaid Tuition Act is amended by
5 changing Sections 10, 30, 35, 45, 50, and 65 as follows:

6 (110 ILCS 979/10)

7 Sec. 10. Definitions. In this Act:

8 "Illinois public university" means the University of
9 Illinois, Illinois State University, Chicago State University,
10 Governors State University, Southern Illinois University,
11 Northern Illinois University, Eastern Illinois University,
12 Western Illinois University, or Northeastern Illinois
13 University.

14 "Illinois community college" means a public community
15 college as defined in Section 1-2 of the Public Community
16 College Act.

1 "Eligible institution" means an institution
2 of higher learning, as defined in Section 10 of the Higher
3 Education Student Assistance Act, a public institution of
4 higher education or a nonpublic institution of higher education
5 whose students are eligible to receive need based student
6 financial assistance through State Monetary Award Program
7 (MAP) grants administered by the Illinois Student Assistance
8 Commission under the Higher Education Student Assistance Act
9 and whose students ~~also~~ are eligible to receive benefits under
10 Section 529(a) of the Internal Revenue Code of 1986, as
11 specified by the federal Small Business Act of 1996 and
12 subsequent amendments to this federal law.

13 "Illinois prepaid tuition contract" or "contract" means a
14 contract entered into between the State and a Purchaser under
15 Section 45 to provide for the higher education of a qualified
16 beneficiary.

17 "Illinois prepaid tuition program" or "program" means the
18 program created in Section 15.

19 "Purchaser" means a person who makes or has contracted to
20 make payments under an Illinois prepaid tuition contract.

21 "Public institution of higher education" means an Illinois
22 public university or Illinois community college.

23 "Nonpublic institution of higher education" means any
24 eligible institution ~~MAP-eligible educational organization,~~
25 other than a public institution of higher education, ~~that~~
26 ~~provides a minimum of an organized 2 year program at the~~

1 ~~postsecondary level and that operates in conformity with~~
2 ~~standards substantially equivalent to those of public~~
3 ~~institutions of higher education.~~

4 "Qualified beneficiary" means (i) anyone who has been a
5 resident of this State for at least 12 months prior to the date
6 of the contract, or (ii) a nonresident, so long as the
7 purchaser has been a resident of the State for at least 12
8 months prior to the date of the contract, or (iii) any person
9 less than one year of age whose parent or legal guardian has
10 been a resident of this State for at least 12 months prior to
11 the date of the contract.

12 "Tuition" means the quarter or semester charges imposed on
13 a qualified beneficiary to attend an eligible ~~a MAP-eligible~~
14 institution.

15 "Mandatory Fees" means those quarter or semester fees
16 imposed upon all students enrolled at an eligible ~~a~~
17 ~~MAP-eligible~~ institution.

18 "Registration Fees" means the charges derived by combining
19 tuition and mandatory fees.

20 "Contract Unit" means 15 credit hours of instruction at an
21 eligible ~~a MAP-eligible~~ institution.

22 "Panel" means the investment advisory panel created under
23 Section 20.

24 "Commission" means the Illinois Student Assistance
25 Commission.

26 (Source: P.A. 93-56, eff. 7-1-03.)

1 (110 ILCS 979/30)

2 Sec. 30. Investment Advisory Panel duties and
3 responsibilities.

4 (a) Advice and review. The panel shall offer advice and
5 counseling regarding the investments of the Illinois prepaid
6 tuition program with the objective of obtaining the best
7 possible return on investments consistent with actuarial
8 soundness of the program. The panel is required to annually
9 review and advise the Commission on provisions of the strategic
10 investment plan for the prepaid tuition program. The panel is
11 also charged with reviewing and advising the Commission with
12 regard to the annual report that describes the current
13 financial condition of the program. The panel at its own
14 discretion also may advise the Commission on other aspects of
15 the program.

16 (b) Investment plan. The Commission annually shall adopt a
17 comprehensive investment plan for purposes of this Section. The
18 comprehensive investment plan shall specify the investment
19 policies to be utilized by the Commission in its administration
20 of the Illinois Prepaid Tuition Trust Fund created by Section
21 35. The Commission may direct that assets of those Funds be
22 placed in savings accounts or may use the same to purchase
23 fixed or variable life insurance or annuity contracts,
24 securities, evidence of indebtedness, or other investment
25 products pursuant to the comprehensive investment plan and in

1 such proportions as may be designated or approved under that
2 plan. The Commission shall invest such assets with the care,
3 skill, prudence, and diligence under the circumstances then
4 prevailing that a prudent man acting in a like capacity and
5 familiar with such matters would use in the conduct of an
6 enterprise of a like character with like aims, and the
7 Commission shall diversify the investments of such assets so as
8 to minimize the risk of large losses, unless under the
9 circumstances it is clearly prudent not to do so. Those
10 insurance, annuity, savings, and investment products shall be
11 underwritten and offered in compliance with applicable federal
12 and State laws, rules, and regulations by persons who are
13 authorized thereunder to provide those services. The
14 Commission shall delegate responsibility for preparing the
15 comprehensive investment plan to the Executive Director of the
16 Commission. Nothing in this Section shall preclude the
17 Commission from contracting with a private corporation or
18 institution to provide such services as may be a part of the
19 comprehensive investment plan or as may be deemed necessary for
20 implementation of the comprehensive investment plan,
21 including, but not limited to, providing consolidated billing,
22 individual and collective record keeping and accounting, and
23 asset purchase, control, and safekeeping.

24 (c) Program management. The Commission may not delegate its
25 management functions, but may arrange to compensate for
26 personalized investment advisory services rendered with

1 respect to any or all of the investments under its control an
2 investment advisor registered under Section 8 of the Illinois
3 Securities Law of 1953 or any bank or other entity authorized
4 by law to provide those services. Nothing contained herein
5 shall preclude the Commission from subscribing to general
6 investment research services available for purchase or use by
7 others. The Commission also shall have authority to compensate
8 for accounting, computing, and other necessary services.

9 (d) Annual report. The Commission shall annually prepare or
10 cause to be prepared a report setting forth in appropriate
11 detail an accounting of all Illinois prepaid tuition program
12 funds and a description of the financial condition of the
13 program at the close of each fiscal year. Included in this
14 report shall be an evaluation by at least one nationally
15 recognized actuary of the financial viability of the program.
16 This report shall be submitted to the Governor, the President
17 of the Senate, the Speaker of the House of Representatives, the
18 Auditor General, and the Board of Higher Education on or before
19 March 1 of the subsequent fiscal year. This report also shall
20 be made available to purchasers of Illinois prepaid tuition
21 contracts and shall contain complete Illinois prepaid tuition
22 contract sales information, including, but not limited to,
23 projected postsecondary enrollment data for qualified
24 beneficiaries.

25 (e) Marketing plan. Selection of a marketing agent for the
26 Illinois prepaid tuition program must be approved by the

1 Commission. At least once every 3 years, the Commission shall
2 solicit proposals for marketing of the Illinois prepaid tuition
3 program in accordance with the Illinois Securities Law of 1953
4 and any applicable provisions of federal law. The entity
5 designated pursuant to this paragraph shall serve as a
6 centralized marketing agent for the program and shall have
7 exclusive responsibility for marketing the program. No
8 contract for marketing the Illinois prepaid tuition program
9 shall extend for longer than 3 years. Any materials produced
10 for the purpose of marketing the program shall be submitted to
11 the Executive Director of the Commission for approval before
12 they are made public. Any eligible ~~Illinois MAP-eligible~~
13 institution may distribute marketing materials produced for
14 the program, so long as the Executive Director of the
15 Commission approves the distribution in advance. Neither the
16 State nor the Commission shall be liable for misrepresentation
17 of the program by a marketing agent.

18 (f) Accounting and audit. The Commission shall annually
19 cause to be prepared an accounting of the trust and shall
20 transmit a copy of the accounting to the Governor, the
21 President of the Senate, the Speaker of the House, and the
22 minority leaders of the Senate and House of Representatives.
23 The Commission shall also make available this accounting of the
24 trust to any purchaser of an Illinois prepaid tuition contract,
25 upon request. The accounts of the Illinois prepaid tuition
26 program shall be subject to annual audits by the Auditor

1 General or a certified public accountant appointed by the
2 Auditor General.

3 (Source: P.A. 90-546, eff. 12-1-97; 91-669, eff. 1-1-00.)

4 (110 ILCS 979/35)

5 Sec. 35. Illinois Prepaid Tuition Trust Fund.

6 (a) The Illinois Prepaid Tuition Trust Fund is created as
7 the repository of all moneys received by the Commission in
8 conjunction with the Illinois prepaid tuition program. The
9 Illinois Prepaid Tuition Trust Fund also shall be the official
10 repository of all contributions, appropriations, interest and
11 dividend payments, gifts, or other financial assets received by
12 the Commission in connection with operation of the Illinois
13 prepaid tuition program. All such moneys shall be deposited in
14 the Illinois Prepaid Tuition Trust Fund and held by the State
15 Treasurer as ex-officio custodian thereof, outside of the State
16 Treasury, separate and apart from all public moneys or funds of
17 this State.

18 All interest or other earnings accruing or received on
19 amounts in the Illinois Prepaid Tuition Trust Fund shall be
20 credited to and retained by the Fund. Moneys, interest, or
21 other earnings paid into the Fund shall not be transferred or
22 allocated by the Commission, the State Treasurer, or the State
23 Comptroller to any other fund, nor shall the Governor authorize
24 any such transfer or allocation, while any contracts are
25 outstanding. The State Comptroller shall not offset moneys paid

1 to institutions from the Illinois Prepaid Tuition Trust Fund
2 (unless the Trust Fund moneys are used for child support). In
3 addition, no moneys, interest, or other earnings paid into the
4 Fund shall be used, temporarily or otherwise, for interfund
5 borrowing or be otherwise used or appropriated except as
6 expressly authorized in this Act.

7 The Illinois Prepaid Tuition Trust Fund and each individual
8 participant account that may be created in that Fund in
9 conjunction with the Illinois prepaid tuition program shall be
10 subject to audit in the same manner as funds and accounts
11 belonging to the State of Illinois and shall be protected by
12 the official bond given by the State Treasurer.

13 (b) The Commission from time to time shall direct the State
14 Treasurer to invest moneys in the Illinois Prepaid Tuition
15 Trust Fund that are not needed for immediate disbursement, in
16 accordance with provisions of the investment plan approved by
17 the Commission.

18 (c) The Executive Director of the Commission shall, at such
19 times and in such amounts as shall be necessary, prepare and
20 send to the State Comptroller vouchers requesting payment from
21 the Illinois Prepaid Tuition Trust Fund for: (i) registration
22 ~~tuition and~~ fee payments to eligible ~~MAP-eligible~~ institutions
23 on behalf of qualified beneficiaries of Illinois prepaid
24 tuition contracts, and (ii) payments associated with
25 administration of the Illinois prepaid tuition program.

26 (d) The Governor shall indicate in a separate document

1 submitted concurrent with each annual State budget the
2 estimated amount of moneys in the Illinois Prepaid Tuition
3 Trust Fund which shall be necessary and sufficient, during that
4 State fiscal year, to discharge all obligations anticipated
5 under Illinois prepaid tuition contracts. The Governor also
6 shall indicate in a separate document submitted concurrent with
7 each annual State budget the amount of moneys from the Illinois
8 Prepaid Tuition Trust Fund necessary to cover anticipated
9 expenses associated with administration of the program. The
10 Commission shall obtain concurrence from a nationally
11 recognized actuary as to all amounts necessary for the program
12 to meet its obligations. These amounts shall be certified
13 annually to the Governor by the Commission no later than
14 January 30.

15 During the first 18 months of operation of the Illinois
16 prepaid tuition program, the Governor shall request an
17 appropriation to the Commission from general funds sufficient
18 to pay for start-up costs associated with establishment of the
19 program. This appropriation constitutes a loan that shall be
20 repaid to the General Revenue Fund within 5 years by the
21 Commission from prepaid tuition program contributions.
22 Subsequent program administrative costs shall be provided from
23 reasonable fees and charges equitably assessed to purchasers of
24 prepaid tuition contracts.

25 (e) If the Commission determines that there are
26 insufficient moneys in the Illinois Prepaid Tuition Trust Fund

1 to pay contractual obligations in the next succeeding fiscal
2 year, the Commission shall certify the amount necessary to meet
3 these obligations to the Board of Higher Education, the
4 Governor, the President of the Senate, and the Speaker of the
5 House of Representatives. The Governor shall submit the amount
6 so certified to the General Assembly as soon as practicable,
7 but no later than the end of the current State fiscal year.

8 (f) In the event the Commission, with the concurrence of
9 the Governor, determines the program to be financially
10 infeasible, the Commission may discontinue, prospectively, the
11 operation of the program. Any qualified beneficiary who has
12 been accepted by and is enrolled or will within 5 years enroll
13 at an eligible ~~a MAP-eligible~~ institution shall be entitled to
14 exercise the complete benefits specified in the Illinois
15 prepaid tuition contract. All other contract holders shall
16 receive an appropriate refund of all contributions and accrued
17 interest up to the time that the program is discontinued.

18 (Source: P.A. 93-56, eff. 7-1-03.)

19 (110 ILCS 979/45)

20 Sec. 45. Illinois prepaid tuition contracts.

21 (a) The Commission may enter into an Illinois prepaid
22 tuition contract with a purchaser under which the Commission
23 contracts on behalf of the State to pay full tuition and
24 mandatory fees at an Illinois public university or Illinois
25 community college for a qualified beneficiary to attend the

1 eligible ~~MAP-eligible~~ institution to which the qualified
2 beneficiary is admitted. Each contract shall contain terms,
3 conditions, and provisions that the Commission determines to be
4 necessary for ensuring the educational objectives and
5 sustainable financial viability of the Illinois prepaid
6 tuition program.

7 (b) Each contract shall have one designated purchaser and
8 one designated qualified beneficiary. Unless otherwise
9 specified in the contract, the purchaser owns the contract and
10 retains any tax liability for its assets only until the first
11 distribution of benefits. Contracts shall be purchased in units
12 of 15 credit hours ~~at any MAP-eligible institution.~~

13 (c) Without exception, benefits may be received by a
14 qualified beneficiary of an Illinois prepaid tuition contract
15 no earlier than 3 years from the date the contract is
16 purchased.

17 (d) A prepaid tuition contract shall contain, but is not
18 limited to, provisions for (i) refunds or withdrawals in
19 certain circumstances, with or without interest or penalties;
20 (ii) conversion of the contract at the time of distribution
21 from accrued prepayment value at one type of eligible
22 ~~MAP-eligible~~ institution to the accrued prepayment value at a
23 different type of eligible ~~MAP-eligible~~ institution; (iii)
24 portability of the accrued value of the prepayment value for
25 use at an eligible institution located outside this State
26 ~~out of state higher education institution;~~ (iv)

1 transferability of the contract benefits within the qualified
2 beneficiary's immediate family; and (v) a specified benefit
3 period during which the contract may be redeemed.

4 (e) Each Illinois prepaid tuition contract also shall
5 contain, at minimum, all of the following:

6 (1) The amount of payment or payments and the number of
7 payments required from a purchaser on behalf of a qualified
8 beneficiary.

9 (2) The terms and conditions under which purchasers
10 shall remit payments, including, but not limited to, the
11 date or dates upon which each payment shall be due.

12 (3) Provisions for late payment charges and for
13 default.

14 (4) Provisions for penalty fees payable incident to an
15 authorized withdrawal.

16 (5) The name, date of birth, and social security number
17 of the qualified beneficiary on whose behalf the contract
18 is drawn and the terms and conditions under which the
19 contract may be transferred to another qualified
20 beneficiary.

21 (6) The name and social security number of any person
22 who may terminate the contract, together with terms that
23 specify whether the contract may be terminated by the
24 purchaser, the qualified beneficiary, a specific
25 designated person, or any combination of these persons.

26 (7) The terms and conditions under which a contract may

1 be terminated, the name and social security number of the
2 person entitled to any refund due as a result of the
3 termination of the contract pursuant to those terms and
4 conditions, and the method for determining the amount of a
5 refund.

6 (8) The time limitations, if any, within which the
7 qualified beneficiary must claim his or her benefits
8 through the program.

9 (9) Other terms and conditions determined by the
10 Commission to be appropriate.

11 (f) In addition to the contract provisions set forth in
12 subsection (e), each Illinois prepaid tuition contract shall
13 include:

14 (1) The number of credit hours contracted by the
15 purchaser.

16 (2) The type of eligible ~~MAP-eligible~~ institution and
17 the prepaid tuition plan toward which the credit hours
18 shall be applied.

19 (3) The explicit contractual obligation of the
20 Commission to the qualified beneficiary to provide a
21 specific number of credit hours of undergraduate
22 instruction at an eligible ~~a MAP-eligible~~ institution, not
23 to exceed the maximum number of credit hours required for
24 the conference of a degree that corresponds to the plan
25 purchased on behalf of the qualified beneficiary.

26 (g) The Commission shall indicate by rule the conditions

1 under which refunds are payable to a contract purchaser.
2 Generally, no refund shall exceed the amount paid into the
3 Illinois Prepaid Tuition Trust Fund by the purchaser. In the
4 event that a contract is converted from a Public University
5 Plan described in subsection (j) of this Section to a Community
6 College Plan described in subsection (k) of this Section, the
7 refund amount shall be reduced by the amount transferred to the
8 Illinois community college on behalf of the qualified
9 beneficiary. Except where the Commission may otherwise rule,
10 refunds may exceed the amount paid into the Illinois Prepaid
11 Tuition Trust Fund only under the following circumstances:

12 (1) If the qualified beneficiary is awarded a grant or
13 scholarship at a public institution of higher education,
14 the terms of which duplicate the benefits included in the
15 Illinois prepaid tuition contract, then moneys paid for the
16 purchase of the contract shall be returned to the
17 purchaser, upon request, in semester installments that
18 coincide with the matriculation by the qualified
19 beneficiary, in an amount equal to the current cost of
20 tuition and mandatory fees at the public institution of
21 higher education ~~MAP-eligible institution~~ where the
22 qualified beneficiary is enrolled.

23 (1.5) If the qualified beneficiary is awarded a grant
24 or scholarship while enrolled at either an eligible ~~a~~
25 ~~MAP-eligible~~ nonpublic institution of higher education or
26 an eligible public or private out-of-state higher

1 education institution, the terms of which duplicate the
2 benefits included in the Illinois prepaid tuition
3 contract, then money paid for the purchase of the contract
4 shall be returned to the purchaser, upon request, in
5 semester installments that coincide with the matriculation
6 by the qualified beneficiary. The amount paid shall not
7 exceed the current average mean-weighted credit hour value
8 of the registration fees purchased under the contract.

9 (2) In the event of the death or total disability of
10 the qualified beneficiary, moneys paid for the purchase of
11 the Illinois prepaid tuition contract shall be returned to
12 the purchaser together with all accrued earnings.

13 (3) If an Illinois prepaid tuition contract is
14 converted from a Public University Plan to a Community
15 College Plan, then the amount refunded shall be the value
16 of the original Illinois prepaid tuition contract minus the
17 value of the contract after conversion.

18 No refund shall be authorized under an Illinois prepaid
19 tuition contract for any semester partially attended but not
20 completed.

21 The Commission, by rule, shall set forth specific
22 procedures for making contract payments in conjunction with
23 grants and scholarships awarded to contract beneficiaries.

24 Moneys paid into or out of the Illinois Prepaid Tuition
25 Trust Fund by or on behalf of the purchaser or the qualified
26 beneficiary of an Illinois prepaid tuition contract are exempt

1 from all claims of creditors of the purchaser or beneficiary,
2 so long as the contract has not been terminated.

3 The State or any State agency, county, municipality, or
4 other political subdivision, by contract or collective
5 bargaining agreement, may agree with any employee to remit
6 payments toward the purchase of Illinois prepaid tuition
7 contracts through payroll deductions made by the appropriate
8 officer or officers of the entity making the payments. Such
9 payments shall be held and administered in accordance with this
10 Act.

11 (h) Nothing in this Act shall be construed as a promise or
12 guarantee that a qualified beneficiary will be admitted to an
13 eligible ~~a MAP-eligible~~ institution or to a particular eligible
14 ~~MAP-eligible~~ institution, will be allowed to continue
15 enrollment at an eligible ~~a MAP-eligible~~ institution after
16 admission, or will be graduated from an eligible ~~a MAP-eligible~~
17 institution.

18 (i) The Commission shall develop and make prepaid tuition
19 contracts available under a minimum of at least 2 independent
20 plans to be known as the Public University Plan and the
21 Community College Plan.

22 Contracts shall be purchased in units of 15 credit hours at
23 either an Illinois public university or an Illinois community
24 college. The minimum purchase amount per qualified beneficiary
25 shall be one unit or 15 credit hours. The maximum purchase
26 amount shall be 9 units (or 135 credit hours) for the Public

1 University Plan and 4 units (or 60 credit hours) for the
2 Community College Plan.

3 (j) Public University Plan. Through the Public University
4 Plan, the Illinois prepaid tuition contract shall provide
5 prepaid registration fees, which include full tuition costs as
6 well as mandatory fees, for a specified number of undergraduate
7 credit hours, not to exceed the maximum number of credit hours
8 required for the conference of a baccalaureate degree. In
9 determining the cost of participation in the Public University
10 Plan, the Commission shall reference the combined
11 mean-weighted current registration fees from ~~all~~ Illinois
12 public universities.

13 In the event that a qualified beneficiary for whatever
14 reason chooses to attend an Illinois community college, the
15 qualified beneficiary may convert the average number of credit
16 hours required for the conference of an associate degree from
17 the Public University Plan to the Community College Plan and
18 may retain the remaining Public University Plan credit hours or
19 may request a refund for prepaid credit hours in excess of
20 those required for conference of an associate degree. In
21 determining the amount of any refund, the Commission also shall
22 recognize the current relative credit hour cost of the 2 plans
23 when making any conversion.

24 Qualified beneficiaries shall bear the cost of any
25 laboratory or other non-mandatory fees associated with
26 enrollment in specific courses. Qualified beneficiaries who

1 are not Illinois residents shall bear the difference in cost
2 between in-state registration fees guaranteed by the prepaid
3 tuition contract and tuition and other charges assessed upon
4 out-of-state students by the eligible ~~MAP-eligible~~
5 institution.

6 (k) Community College Plan. Through the Community College
7 Plan, the Illinois prepaid tuition contract shall provide
8 prepaid registration fees, which include full tuition costs as
9 well as mandatory fees, for a specified number of undergraduate
10 credit hours, not to exceed the maximum number of credit hours
11 required for the conference of an associate degree. In
12 determining the cost of participation in the Community College
13 Plan, the Commission shall reference the combined
14 mean-weighted current registration fees from all Illinois
15 community colleges.

16 In the event that a qualified beneficiary for whatever
17 reason chooses to attend an Illinois public university, the
18 qualified beneficiary's prepaid tuition contract shall be
19 converted for use at that Illinois public university by
20 referencing the current average mean-weighted credit hour
21 value of registration fees at Illinois community colleges
22 relative to the corresponding value of registration fees at
23 Illinois public universities.

24 Qualified beneficiaries shall bear the cost of any
25 laboratory or other non-mandatory fees associated with
26 enrollment in specific courses. Qualified beneficiaries who

1 are not Illinois residents shall bear the difference in cost
2 between in-state registration fees guaranteed by the prepaid
3 tuition contract and tuition and other charges assessed upon
4 out-of-state students by the eligible ~~MAP-eligible~~
5 institution.

6 (l) A qualified beneficiary may apply the benefits of any
7 Illinois prepaid tuition contract toward a nonpublic
8 institution of higher education. In the event that a qualified
9 beneficiary for whatever reason chooses to attend a nonpublic
10 institution of higher education, the qualified beneficiary's
11 prepaid tuition contract shall be converted for use at that
12 nonpublic institution of higher education by referencing the
13 current average mean-weighted credit hour value of
14 registration fees purchased under the contract. The Commission
15 shall transfer, or cause to have transferred, this amount, less
16 a transfer fee, to the nonpublic institution on behalf of the
17 beneficiary. In the event that the cost of registration charged
18 to the beneficiary at the nonpublic institution of higher
19 education is less than the aggregate value of the Illinois
20 prepaid tuition contract, any remaining amount shall be
21 transferred in subsequent semesters until the transfer value is
22 fully depleted.

23 (m) A qualified beneficiary may apply the benefits of any
24 Illinois prepaid tuition contract toward an eligible
25 out-of-state college or university. Institutional eligibility
26 for out-of-state colleges and universities shall be determined

1 by the Commission according to standards substantially
2 equivalent to those for an eligible institution located in this
3 State, as described in the definition of "institution of higher
4 learning" in Section 10 of the Higher Education Student
5 Assistance Act, ~~but in making those determinations the~~
6 ~~Commission shall recognize that the benefits of an Illinois~~
7 ~~prepaid tuition contract may not be used at any postsecondary~~
8 ~~educational institution that is both operated for profit and~~
9 ~~located outside of Illinois.~~ In the event that a qualified
10 beneficiary for whatever reason chooses to attend an eligible
11 out-of-state college or university, the qualified
12 beneficiary's prepaid tuition contract shall be converted for
13 use at that college or university by referencing the current
14 average mean-weighted credit hour value of registration fees
15 purchased under the contract. The Commission shall transfer, or
16 cause to have transferred, this amount, less a transfer fee, to
17 the college or university on behalf of the beneficiary. In the
18 event that the cost of registration charged to the beneficiary
19 at the eligible out-of-state college or university is less than
20 the aggregate value of the Illinois prepaid tuition contract,
21 any remaining amount shall be transferred in subsequent
22 semesters until the transfer value is fully depleted.

23 (n) Illinois prepaid tuition contracts may be purchased
24 either by lump sum or by installments. No penalty shall be
25 assessed for early payment of installment contracts.

26 (o) The Commission shall annually adjust the price of new

1 contracts, in accordance with the annual changes in
2 registration fees at Illinois public universities and
3 community colleges.

4 (Source: P.A. 95-217, eff. 8-16-07.)

5 (110 ILCS 979/50)

6 Sec. 50. Confidentiality and disclosure. Information that
7 (i) identifies the purchasers or qualified beneficiaries of any
8 Illinois prepaid tuition contract or any terms or provisions of
9 any such contract as those terms and provisions relate to a
10 particular purchaser or qualified beneficiary, or (ii)
11 discloses any other matter relating to the participation of any
12 such purchaser or qualified beneficiary in the Illinois prepaid
13 tuition program or in any independent plan under which that
14 program is administered, is exempt from inspection, copying, or
15 disclosure under the Freedom of Information Act. The Commission
16 may authorize the program's records administrator to release
17 such information to appropriate personnel at the eligible
18 ~~MAP-eligible~~ institution at which the beneficiary may enroll or
19 is enrolled or to another state or federal agency, for purposes
20 that the Commission deems appropriate, in accordance with
21 applicable state and federal law. However, any such institution
22 or agency to which that information is released shall ensure
23 the continued confidentiality of the information.

24 (Source: P.A. 90-546, eff. 12-1-97.)

1 (110 ILCS 979/65)

2 Sec. 65. Construction. Nothing in this Act or in an
3 Illinois prepaid tuition contract shall be construed as a
4 promise or guarantee by the Program or the State that a person
5 will be admitted to any eligible ~~MAP-eligible~~ institution or to
6 a particular eligible ~~MAP-eligible~~ institution, will be
7 allowed to continue to attend an eligible ~~a MAP-eligible~~
8 institution after having been admitted, or will be graduated
9 from an eligible ~~a MAP-eligible~~ institution.

10 (Source: P.A. 90-546, eff. 12-1-97.)

11 Section 99. Effective date. This Act takes effect July 1,
12 2010.".