

1 AN ACT concerning government.

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

4 Section 1. The State Treasurer Act is amended by changing
5 Section 16.5 as follows:

6 (15 ILCS 505/16.5)

7 Sec. 16.5. College Savings Pool. The State Treasurer may
8 establish and administer a College Savings Pool to supplement
9 and enhance the investment opportunities otherwise available
10 to persons seeking to finance the costs of higher education.
11 The State Treasurer, in administering the College Savings Pool,
12 may receive moneys paid into the pool by a participant and may
13 serve as the fiscal agent of that participant for the purpose
14 of holding and investing those moneys.

15 "Participant", as used in this Section, means any person
16 who has authority to withdraw funds, change the designated
17 beneficiary, or otherwise exercise control over an account.

18 "Donor", as used in this Section, means any person who makes
19 investments in the pool. "Designated beneficiary", as used in
20 this Section, means any person on whose behalf an account is
21 established in the College Savings Pool by a participant. Both
22 in-state and out-of-state persons may be participants, donors,
23 and designated beneficiaries in the College Savings Pool. The

1 College Savings Pool must be available to any individual with a
2 valid social security number or taxpayer identification number
3 for the benefit of any individual with a valid social security
4 number or taxpayer identification number, unless a contract in
5 effect on the effective date of this amendatory Act of the 97th
6 General Assembly does not allow for taxpayer identification
7 numbers, in which case taxpayer identification numbers must be
8 allowed upon the expiration of the contract.

9 New accounts in the College Savings Pool may be processed
10 through participating financial institutions. "Participating
11 financial institution", as used in this Section, means any
12 financial institution insured by the Federal Deposit Insurance
13 Corporation and lawfully doing business in the State of
14 Illinois and any credit union approved by the State Treasurer
15 and lawfully doing business in the State of Illinois that
16 agrees to process new accounts in the College Savings Pool.
17 Participating financial institutions may charge a processing
18 fee to participants to open an account in the pool that shall
19 not exceed \$30 until the year 2001. Beginning in 2001 and every
20 year thereafter, the maximum fee limit shall be adjusted by the
21 Treasurer based on the Consumer Price Index for the North
22 Central Region as published by the United States Department of
23 Labor, Bureau of Labor Statistics for the immediately preceding
24 calendar year. Every contribution received by a financial
25 institution for investment in the College Savings Pool shall be
26 transferred from the financial institution to a location

1 selected by the State Treasurer within one business day
2 following the day that the funds must be made available in
3 accordance with federal law. All communications from the State
4 Treasurer to participants and donors shall reference the
5 participating financial institution at which the account was
6 processed.

7 The Treasurer may invest the moneys in the College Savings
8 Pool in the same manner and in the same types of investments
9 provided for the investment of moneys by the Illinois State
10 Board of Investment. To enhance the safety and liquidity of the
11 College Savings Pool, to ensure the diversification of the
12 investment portfolio of the pool, and in an effort to keep
13 investment dollars in the State of Illinois, the State
14 Treasurer may make a percentage of each account available for
15 investment in participating financial institutions doing
16 business in the State. The State Treasurer may deposit with the
17 participating financial institution at which the account was
18 processed the following percentage of each account at a
19 prevailing rate offered by the institution, provided that the
20 deposit is federally insured or fully collateralized and the
21 institution accepts the deposit: 10% of the total amount of
22 each account for which the current age of the beneficiary is
23 less than 7 years of age, 20% of the total amount of each
24 account for which the beneficiary is at least 7 years of age
25 and less than 12 years of age, and 50% of the total amount of
26 each account for which the current age of the beneficiary is at

1 least 12 years of age. The Treasurer shall develop, publish,
2 and implement an investment policy covering the investment of
3 the moneys in the College Savings Pool. The policy shall be
4 published (i) at least once each year in at least one newspaper
5 of general circulation in both Springfield and Chicago and (ii)
6 each year as part of the audit of the College Savings Pool by
7 the Auditor General, which shall be distributed to all
8 participants. The Treasurer shall notify all participants in
9 writing, and the Treasurer shall publish in a newspaper of
10 general circulation in both Chicago and Springfield, any
11 changes to the previously published investment policy at least
12 30 calendar days before implementing the policy. Any investment
13 policy adopted by the Treasurer shall be reviewed and updated
14 if necessary within 90 days following the date that the State
15 Treasurer takes office.

16 Participants shall be required to use moneys distributed
17 from the College Savings Pool for qualified expenses at
18 eligible educational institutions. "Qualified expenses", as
19 used in this Section, means the following: (i) tuition, fees,
20 and the costs of books, supplies, and equipment required for
21 enrollment or attendance at an eligible educational
22 institution and (ii) certain room and board expenses incurred
23 while attending an eligible educational institution at least
24 half-time. "Eligible educational institutions", as used in
25 this Section, means public and private colleges, junior
26 colleges, graduate schools, and certain vocational

1 institutions that are described in Section 481 of the Higher
2 Education Act of 1965 (20 U.S.C. 1088) and that are eligible to
3 participate in Department of Education student aid programs. A
4 student shall be considered to be enrolled at least half-time
5 if the student is enrolled for at least half the full-time
6 academic work load for the course of study the student is
7 pursuing as determined under the standards of the institution
8 at which the student is enrolled. Distributions made from the
9 pool for qualified expenses shall be made directly to the
10 eligible educational institution, directly to a vendor, or in
11 the form of a check payable to both the beneficiary and the
12 institution or vendor. Any moneys that are distributed in any
13 other manner or that are used for expenses other than qualified
14 expenses at an eligible educational institution shall be
15 subject to a penalty of 10% of the earnings unless the
16 beneficiary dies, becomes disabled, or receives a scholarship
17 that equals or exceeds the distribution. Penalties shall be
18 withheld at the time the distribution is made.

19 The Treasurer shall limit the contributions that may be
20 made on behalf of a designated beneficiary based on the
21 limitations established by the Internal Revenue Service. The
22 contributions made on behalf of a beneficiary who is also a
23 beneficiary under the Illinois Prepaid Tuition Program shall be
24 further restricted to ensure that the contributions in both
25 programs combined do not exceed the limit established for the
26 College Savings Pool. The Treasurer shall provide the Illinois

1 Student Assistance Commission each year at a time designated by
2 the Commission, an electronic report of all participant
3 accounts in the Treasurer's College Savings Pool, listing total
4 contributions and disbursements from each individual account
5 during the previous calendar year. As soon thereafter as is
6 possible following receipt of the Treasurer's report, the
7 Illinois Student Assistance Commission shall, in turn, provide
8 the Treasurer with an electronic report listing those College
9 Savings Pool participants who also participate in the State's
10 prepaid tuition program, administered by the Commission. The
11 Commission shall be responsible for filing any combined tax
12 reports regarding State qualified savings programs required by
13 the United States Internal Revenue Service. The Treasurer shall
14 work with the Illinois Student Assistance Commission to
15 coordinate the marketing of the College Savings Pool and the
16 Illinois Prepaid Tuition Program when considered beneficial by
17 the Treasurer and the Director of the Illinois Student
18 Assistance Commission. The Treasurer's office shall not
19 publicize or otherwise market the College Savings Pool or
20 accept any moneys into the College Savings Pool prior to March
21 1, 2000. The Treasurer shall provide a separate accounting for
22 each designated beneficiary to each participant, the Illinois
23 Student Assistance Commission, and the participating financial
24 institution at which the account was processed. No interest in
25 the program may be pledged as security for a loan. Moneys held
26 in an account invested in the Illinois College Savings Pool

1 shall be exempt from all claims of the creditors of the
2 participant, donor, or designated beneficiary of that account,
3 except for the non-exempt College Savings Pool transfers to or
4 from the account as defined under subsection (j) of Section
5 12-1001 of the Code of Civil Procedure (735 ILCS 5/12-1001(j)).

6 The assets of the College Savings Pool and its income and
7 operation shall be exempt from all taxation by the State of
8 Illinois and any of its subdivisions. The accrued earnings on
9 investments in the Pool once disbursed on behalf of a
10 designated beneficiary shall be similarly exempt from all
11 taxation by the State of Illinois and its subdivisions, so long
12 as they are used for qualified expenses. Contributions to a
13 College Savings Pool account during the taxable year may be
14 deducted from adjusted gross income as provided in Section 203
15 of the Illinois Income Tax Act. The provisions of this
16 paragraph are exempt from Section 250 of the Illinois Income
17 Tax Act.

18 The Treasurer shall adopt rules he or she considers
19 necessary for the efficient administration of the College
20 Savings Pool. The rules shall provide whatever additional
21 parameters and restrictions are necessary to ensure that the
22 College Savings Pool meets all of the requirements for a
23 qualified state tuition program under Section 529 of the
24 Internal Revenue Code (26 U.S.C. 529). The rules shall provide
25 for the administration expenses of the pool to be paid from its
26 earnings and for the investment earnings in excess of the

1 expenses and all moneys collected as penalties to be credited
2 or paid monthly to the several participants in the pool in a
3 manner which equitably reflects the differing amounts of their
4 respective investments in the pool and the differing periods of
5 time for which those amounts were in the custody of the pool.
6 Also, the rules shall require the maintenance of records that
7 enable the Treasurer's office to produce a report for each
8 account in the pool at least annually that documents the
9 account balance and investment earnings. Notice of any proposed
10 amendments to the rules and regulations shall be provided to
11 all participants prior to adoption. Amendments to rules and
12 regulations shall apply only to contributions made after the
13 adoption of the amendment.

14 Upon creating the College Savings Pool, the State Treasurer
15 shall give bond with 2 or more sufficient sureties, payable to
16 and for the benefit of the participants in the College Savings
17 Pool, in the penal sum of \$1,000,000, conditioned upon the
18 faithful discharge of his or her duties in relation to the
19 College Savings Pool.

20 (Source: P.A. 95-23, eff. 8-3-07; 95-306, eff. 1-1-08; 95-521,
21 eff. 8-28-07; 95-876, eff. 8-21-08.)

22 Section 3. The School Code is amended by changing Section
23 21-25 as follows:

24 (105 ILCS 5/21-25) (from Ch. 122, par. 21-25)

1 Sec. 21-25. School service personnel certificate.

2 (a) For purposes of this Section, "school service
3 personnel" means persons employed and performing appropriate
4 services in an Illinois public or State-operated elementary
5 school, secondary school, or cooperative or joint agreement
6 with a governing body or board of control or a charter school
7 operating in compliance with the Charter Schools Law in a
8 position requiring a school service personnel certificate.

9 Subject to the provisions of Section 21-1a, a school
10 service personnel certificate shall be issued to those
11 applicants of good character, good health, a citizen of the
12 United States and at least 19 years of age who have a
13 Bachelor's degree with not fewer than 120 semester hours from a
14 regionally accredited institution of higher learning and who
15 meets the requirements established by the State Superintendent
16 of Education in consultation with the State Teacher
17 Certification Board. A school service personnel certificate
18 with a school nurse endorsement may be issued to a person who
19 holds a bachelor of science degree from an institution of
20 higher learning accredited by the North Central Association or
21 other comparable regional accrediting association. Persons
22 seeking any other endorsement on the school service personnel
23 certificate shall be recommended for the endorsement by a
24 recognized teacher education institution as having completed a
25 program of preparation approved by the State Superintendent of
26 Education in consultation with the State Teacher Certification

1 Board.

2 (b) Until August 30, 2002, a school service personnel
3 certificate endorsed for school social work may be issued to a
4 student who has completed a school social work program that has
5 not been approved by the State Superintendent of Education,
6 provided that each of the following conditions is met:

7 (1) The program was offered by a recognized, public
8 teacher education institution that first enrolled students
9 in its master's degree program in social work in 1998;

10 (2) The student applying for the school service
11 personnel certificate was enrolled in the institution's
12 master's degree program in social work on or after May 11,
13 1998;

14 (3) The State Superintendent verifies that the student
15 has completed coursework that is substantially similar to
16 that required in approved school social work programs,
17 including (i) not fewer than 600 clock hours of a
18 supervised internship in a school setting or (ii) if the
19 student has completed part of a supervised internship in a
20 school setting prior to the effective date of this
21 amendatory Act of the 92nd General Assembly and receives
22 the prior approval of the State Superintendent, not fewer
23 than 300 additional clock hours of supervised work in a
24 public school setting under the supervision of a certified
25 school social worker who certifies that the supervised work
26 was completed in a satisfactory manner; and

1 (4) The student has passed a test of basic skills and
2 the test of subject matter knowledge required by Section
3 21-1a.

4 This subsection (b) does not apply after August 29, 2002.

5 (c) A school service personnel certificate shall be
6 endorsed with the area of Service as determined by the State
7 Superintendent of Education in consultation with the State
8 Teacher Certification Board.

9 The holder of such certificate shall be entitled to all of
10 the rights and privileges granted holders of a valid teaching
11 certificate, including teacher benefits, compensation and
12 working conditions.

13 When the holder of such certificate has earned a master's
14 degree, including 8 semester hours of graduate professional
15 education from a recognized institution of higher learning, and
16 has at least 2 years of successful school experience while
17 holding such certificate, the certificate may be endorsed for
18 supervision.

19 (d) Persons who have successfully achieved National Board
20 certification through the National Board for Professional
21 Teaching Standards shall be issued a Master School Service
22 Personnel Certificate, valid for 10 years and renewable
23 thereafter every 10 years through compliance with requirements
24 set forth by the State Board of Education, in consultation with
25 the State Teacher Certification Board. However, each holder of
26 a Master School Service Personnel Certificate shall be eligible

1 for a corresponding position in this State in the areas for
2 which he or she holds a Master Certificate without satisfying
3 any other requirements of this Code, except for those
4 requirements pertaining to criminal background checks.

5 (e) School service personnel certificates are renewable
6 every 5 years and may be renewed as provided in this Section.
7 Requests for renewals must be submitted, in a format prescribed
8 by the State Board of Education, to the regional office of
9 education responsible for the school where the holder is
10 employed.

11 Upon completion of at least 80 hours of continuing
12 professional development as provided in this subsection (e), a
13 person who holds a valid school service personnel certificate
14 shall have his or her certificate renewed for a period of 5
15 years. A person who (i) holds an active license issued by the
16 State as a clinical professional counselor, a professional
17 counselor, a clinical social worker, a social worker, or a
18 speech-language pathologist; (ii) holds national certification
19 as a Nationally Certified School Psychologist from the National
20 School Psychology Certification Board; (iii) is nationally
21 certified as a National Certified School Nurse from the
22 National Board for Certification of School Nurses; (iv) is
23 nationally certified as a National Certified Counselor or
24 National Certified School Counselor from the National Board for
25 Certified Counselors; or (v) holds a Certificate of Clinical
26 Competence from the American Speech-Language-Hearing

1 Association shall be deemed to have satisfied the continuing
2 professional development requirements established by the State
3 Board of Education and the State Teacher Certification Board to
4 renew a school service personnel certificate.

5 School service personnel certificates may be renewed by the
6 State Teacher Certification Board based upon proof of
7 continuing professional development. The State Board of
8 Education shall (i) establish a procedure for renewing school
9 service personnel certificates, which shall include without
10 limitation annual timelines for the renewal process and the
11 components set forth in this Section; (ii) approve or
12 disapprove the providers of continuing professional
13 development activities; and (iii) provide, on a timely basis to
14 all school service personnel certificate holders, regional
15 superintendents of schools, school districts, and others with
16 an interest in continuing professional development,
17 information about the standards and requirements established
18 pursuant to this subsection (e).

19 Any school service personnel certificate held by an
20 individual employed and performing services in an Illinois
21 public or State-operated elementary school, secondary school,
22 or cooperative or joint agreement with a governing body or
23 board of control in a certificated school service personnel
24 position or in a charter school in compliance with the Charter
25 Schools Law must be maintained Valid and Active through
26 certificate renewal activities specified in the certificate

1 renewal procedure established pursuant to this Section,
2 provided that a holder of a Valid and Active certificate who is
3 only employed on either a part-time basis or day-to-day basis
4 as a substitute shall pay only the required registration fee to
5 renew his or her certificate and maintain it as Valid and
6 Active. All other school service personnel certificates held
7 may be maintained as Valid and Exempt through the registration
8 process provided for in the certificate renewal procedure
9 established pursuant to Section 21-14 of this Code. A Valid and
10 Exempt certificate must be immediately activated, through
11 procedures developed by the State Board of Education upon the
12 certificate holder becoming employed and performing services
13 in an Illinois public or State-operated elementary school,
14 secondary school, or cooperative or joint agreement with a
15 governing body or board of control in a certificated school
16 service personnel position or in a charter school operating in
17 compliance with the Charter Schools Law. A holder of a Valid
18 and Exempt certificate may activate his or her certificate
19 through procedures provided for in the certificate renewal
20 procedure established pursuant to this Section.

21 A school service personnel certificate that has been
22 maintained as Valid and Active for the 5 years of the
23 certificate's validity shall be renewed as Valid and Active
24 upon the certificate holder (i) completing the National Board
25 for Professional Teaching Standards process in an area of
26 concentration comparable to the holder's school service

1 personnel certificate of endorsement or (ii) earning 80
2 continuing professional development units as described in this
3 Section. If, however, the certificate holder has maintained the
4 certificate as Valid and Exempt for a portion of the 5-year
5 period of validity, the number of continuing professional
6 development units needed to renew the certificate as Valid and
7 Active must be proportionately reduced by the amount of time
8 the certificate was Valid and Exempt. If a certificate holder
9 is employed and performs services requiring the holder's school
10 service personnel certificate on a part-time basis for all or a
11 portion of the certificate's 5-year period of validity, the
12 number of continuing professional development units needed to
13 renew the certificate as Valid and Active shall be reduced by
14 50% for the amount of time the certificate holder has been
15 employed and performing such services on a part-time basis.
16 "Part-time" means less than 50% of the school day or school
17 term.

18 Beginning July 1, 2008, in order to satisfy the
19 requirements for continuing professional development provided
20 for in this Section, each Valid and Active school service
21 personnel certificate holder shall complete professional
22 development activities that address the certificate or those
23 certificates that are required of his or her certificated
24 position, if the certificate holder is employed and performing
25 services in an Illinois public or State operated elementary
26 school, secondary school, or cooperative or joint agreement

1 with a governing body or board of control, or that certificate
2 or those certificates most closely related to his or her
3 teaching position, if the certificate holder is employed in a
4 charter school. Except as otherwise provided in this subsection
5 (e), the certificate holder's activities must address and must
6 reflect the following continuing professional development
7 purposes:

8 (1) Advance both the certificate holder's knowledge
9 and skills consistent with the Illinois Standards for the
10 service area in which the certificate is endorsed in order
11 to keep the certificate holder current in that area.

12 (2) Develop the certificate holder's knowledge and
13 skills in areas determined by the State Board of Education
14 to be critical for all school service personnel.

15 (3) Address the knowledge, skills, and goals of the
16 certificate holder's local school improvement plan, if the
17 certificate holder is employed in an Illinois public or
18 State-operated elementary school, secondary school, or
19 cooperative or joint agreement with a governing body or
20 board of control.

21 (4) Address the needs of serving students with
22 disabilities, including adapting and modifying clinical or
23 professional practices to meet the needs of students with
24 disabilities and serving such students in the least
25 restrictive environment.

26 (5) Address the needs of serving students who are the

1 children of immigrants, including, if the certificate
2 holder is employed as a counselor in an Illinois public or
3 State-operated secondary school, opportunities for higher
4 education for students who are undocumented immigrants.

5 The coursework or continuing professional development
6 units ("CPDU") required under this subsection (e) must total 80
7 CPDUs or the equivalent and must address 4 ~~3~~ of the 5 ~~4~~
8 purposes described in items (1) through (5) ~~(4)~~ of this
9 subsection (e). Holders of school service personnel
10 certificates may fulfill this obligation with any combination
11 of semester hours or CPDUs as follows:

12 (A) Collaboration and partnership activities related
13 to improving the school service personnel certificate
14 holder's knowledge and skills, including (i) participating
15 on collaborative planning and professional improvement
16 teams and committees; (ii) peer review and coaching; (iii)
17 mentoring in a formal mentoring program, including service
18 as a consulting teacher participating in a remediation
19 process formulated under Section 24A-5 of this Code; (iv)
20 participating in site-based management or decision-making
21 teams, relevant committees, boards, or task forces
22 directly related to school improvement plans; (v)
23 coordinating community resources in schools, if the
24 project is a specific goal of the school improvement plan;
25 (vi) facilitating parent education programs for a school,
26 school district, or regional office of education directly

1 related to student achievement or school improvement
2 plans; (vii) participating in business, school, or
3 community partnerships directly related to student
4 achievement or school improvement plans; or (viii)
5 supervising a student teacher (student services personnel)
6 or teacher education candidate in clinical supervision,
7 provided that the supervision may be counted only once
8 during the course of 5 years.

9 (B) Coursework from a regionally accredited
10 institution of higher learning related to one of the
11 purposes listed in items (1) through (4) of this subsection
12 (e), which shall apply at the rate of 15 continuing
13 professional development units per semester hour of credit
14 earned during the previous 5-year period when the status of
15 the holder's school service personnel certificate was
16 Valid and Active. Proportionate reductions shall apply
17 when the holder's status was Valid and Active for less than
18 the 5-year period preceding the renewal.

19 (C) Teaching college or university courses in areas
20 relevant to the certificate area being renewed, provided
21 that the teaching may be counted only once during the
22 course of 5 years.

23 (D) Conferences, workshops, institutes, seminars, or
24 symposiums designed to improve the certificate holder's
25 knowledge and skills in the service area and applicable to
26 the purposes listed in items (1) through (5) ~~(4)~~ of this

1 subsection (e). One CPDU shall be awarded for each hour of
2 attendance. No one shall receive credit for conferences,
3 workshops, institutes, seminars, or symposiums that are
4 designed for entertainment, promotional, or commercial
5 purposes or that are solely inspirational or motivational.
6 The State Superintendent of Education and regional
7 superintendents of schools are authorized to review the
8 activities and events provided or to be provided under this
9 subdivision (D) and to investigate complaints regarding
10 those activities and events. Either the State
11 Superintendent of Education or a regional superintendent
12 of schools may recommend that the State Board of Education
13 disapprove those activities and events considered to be
14 inconsistent with this subdivision (D).

15 (E) Completing non-university credit directly related
16 to student achievement, school improvement plans, or State
17 priorities.

18 (F) Participating in or presenting at workshops,
19 seminars, conferences, institutes, or symposiums.

20 (G) Training as external reviewers for quality
21 assurance.

22 (H) Training as reviewers of university teacher
23 preparation programs.

24 (I) Other educational experiences related to improving
25 the school service personnel's knowledge and skills as a
26 teacher, including (i) participating in action research

1 and inquiry projects; (ii) traveling related to one's
2 assignment and directly related to school service
3 personnel achievement or school improvement plans and
4 approved by the regional superintendent of schools or his
5 or her designee at least 30 days prior to the travel
6 experience, provided that the traveling shall not include
7 time spent commuting to destinations where the learning
8 experience will occur; (iii) participating in study groups
9 related to student achievement or school improvement
10 plans; (iv) serving on a statewide education-related
11 committee, including without limitation the State Teacher
12 Certification Board, State Board of Education strategic
13 agenda teams, or the State Advisory Council on Education of
14 Children with Disabilities; (v) participating in
15 work/learn programs or internships; or (vi) developing a
16 portfolio of student and teacher work.

17 (J) Professional leadership experiences related to
18 improving the teacher's knowledge and skills as a teacher,
19 including (i) participating in curriculum development or
20 assessment activities at the school, school district,
21 regional office of education, State, or national level;
22 (ii) participating in team or department leadership in a
23 school or school district; (iii) participating on external
24 or internal school or school district review teams; (iv)
25 publishing educational articles, columns, or books
26 relevant to the certificate area being renewed; or (v)

1 participating in non-strike-related professional
2 association or labor organization service or activities
3 related to professional development.

4 (Source: P.A. 94-105, eff. 7-1-05; 95-592, eff. 7-1-08.)

5 Section 5. The Higher Education Student Assistance Act is
6 amended by adding Section 67 and by changing Section 75 as
7 follows:

8 (110 ILCS 947/67 new)

9 Sec. 67. Illinois DREAM Fund Commission.

10 (a) The Illinois Student Assistance Commission shall
11 establish an Illinois DREAM Fund Commission. The Governor shall
12 appoint, with the advice and consent of the Senate, members to
13 the Illinois DREAM Fund Commission, which shall be comprised of
14 9 members representing the geographic and ethnic diversity of
15 this State, including students, college and university
16 administrators and faculty, and other individuals committed to
17 advancing the educational opportunities of the children of
18 immigrants.

19 (b) The Illinois DREAM Fund Commission is charged with all
20 of the following responsibilities:

21 (1) Administering this Section and raising funds for
22 the Illinois DREAM Fund.

23 (2) Establishing a not-for-profit entity charged with
24 raising funds for the administration of this Section, any

1 educational or training programs the Commission is tasked
2 with administering, and funding scholarships to students
3 who are the children of immigrants to the United States.

4 (3) Publicizing the availability of scholarships from
5 the Illinois DREAM Fund.

6 (4) Selecting the recipients of scholarships funded
7 through the Illinois DREAM Fund.

8 (5) Researching issues pertaining to the availability
9 of assistance with the costs of higher education for the
10 children of immigrants and other issues regarding access
11 for and the performance of the children of immigrants
12 within higher education.

13 (6) Overseeing implementation of the other provisions
14 of this amendatory Act of the 97th General Assembly.

15 (7) Establishing and administering training programs
16 for high school counselors and counselors, admissions
17 officers, and financial aid officers of public
18 institutions of higher education. The training programs
19 shall instruct participants on the educational
20 opportunities available to college-bound students who are
21 the children of immigrants, including, but not limited to,
22 in-state tuition and scholarship programs. The Illinois
23 DREAM Fund Commission may also establish a public awareness
24 campaign regarding educational opportunities available to
25 college bound students who are the children of immigrants.
26 The Illinois DREAM Fund Commission shall establish, by

1 rule, procedures for accepting and evaluating applications for
2 scholarships from the children of immigrants and issuing
3 scholarships to selected student applicants.

4 (c) To receive a scholarship under this Section, a student
5 must meet all of the following qualifications:

6 (1) Have resided with his or her parents or guardian
7 while attending a public or private high school in this
8 State.

9 (2) Have graduated from a public or private high school
10 or received the equivalent of a high school diploma in this
11 State.

12 (3) Have attended school in this State for at least 3
13 years as of the date he or she graduated from high school
14 or received the equivalent of a high school diploma.

15 (4) Have at least one parent who immigrated to the
16 United States.

17 (d) The Illinois Student Assistance Commission shall
18 establish an Illinois DREAM Fund to provide scholarships under
19 this Section. The Illinois DREAM Fund shall be funded entirely
20 from private contributions.

21 (110 ILCS 947/75)

22 Sec. 75. College savings programs.

23 (a) Purpose. The General Assembly finds and hereby declares
24 that for the benefit of the people of the State of Illinois,
25 the conduct and increase of their commerce, the protection and

1 enhancement of their welfare, the development of continued
2 prosperity and the improvement of their health and living
3 conditions, it is essential that all citizens with the
4 intellectual ability and motivation be able to obtain a higher
5 education. The General Assembly further finds that rising
6 tuition costs, increasingly restrictive eligibility criteria
7 for existing federal and State student aid programs and other
8 trends in higher education finance have impeded access to a
9 higher education for many middle-income families; and that to
10 remedy these concerns, it is of utmost importance that families
11 be provided with investment alternatives to enhance their
12 financial access to institutions of higher education. It is the
13 intent of this Section to establish College Savings Programs
14 appropriate for families from various income groups, to
15 encourage Illinois families to save and invest in anticipation
16 of their children's education, and to encourage enrollment in
17 institutions of higher education, all in execution of the
18 public policy set forth above and elsewhere in this Act.
19 College Savings Programs established under this Section must be
20 available to any individual with a valid social security number
21 or taxpayer identification number for the benefit of any
22 individual with a valid social security number or taxpayer
23 identification number.

24 (b) The Commission is authorized to develop and provide a
25 program of college savings instruments to qualifying Illinois
26 residents ~~citizens~~. The program shall be structured to

1 encourage parents to plan ahead for the college education of
2 their children and to permit the long-term accumulation of
3 savings which can be used to finance the family's share of the
4 cost of a higher education. Income, up to \$2,000 annually per
5 account, which is derived by individuals from investments made
6 in accordance with College Savings Programs established under
7 this Section shall be free from all taxation by the State and
8 its political subdivisions, except for estate, transfer, and
9 inheritance taxes.

10 (c) The Commission is authorized to contract with private
11 financial institutions and other businesses, individuals, and
12 other appropriate parties to establish and operate the College
13 Savings Programs. The Commission may negotiate contracts with
14 private financial and investment companies, establish College
15 Savings Programs, and monitor the vendors administering the
16 programs in whichever manner the Commission determines is best
17 suited to accomplish the purposes of this Section. The Auditor
18 General shall periodically review the operation of the College
19 Savings Programs and shall advise the Commission and the
20 General Assembly of his findings.

21 (d) In determining the type of instruments to be offered,
22 the Commission shall consult with, and receive the assistance
23 of, the Illinois Board of Higher Education, the Governor's
24 Office of Management and Budget, the State Board of
25 Investments, the Governor, and other appropriate State
26 agencies and private parties.

1 (e) The Commission shall market and promote the College
2 Savings Programs to the citizens of Illinois.

3 (f) The Commission shall assist the State Comptroller and
4 State Treasurer in establishing a payroll deduction plan
5 through which State employees may participate in the College
6 Savings Programs. The Department of Labor, Department of
7 Employment Security, Department of Revenue, and other
8 appropriate agencies shall assist the Commission in educating
9 Illinois employers about the College Savings Programs, and
10 shall assist the Commission in securing employers'
11 participation in a payroll deduction plan and other initiatives
12 which maximize participation in the College Savings Programs.

13 (g) The Commission shall examine means by which the State,
14 through a series of matching contributions or other incentives,
15 may most effectively encourage Illinois families to
16 participate in the College Savings Programs. The Commission
17 shall report its conclusions and recommendations to the
18 Governor and General Assembly no later than February 15, 1990.

19 (h) The College Savings Programs established pursuant to
20 this Section shall not be subject to the provisions of the
21 Illinois Administrative Procedure Act. The Commission shall
22 provide that appropriate disclosures are provided to all
23 citizens who participate in the College Savings Programs.

24 (Source: P.A. 94-793, eff. 5-19-06.)

25 Section 10. The Illinois Prepaid Tuition Act is amended by

1 changing Section 45 as follows:

2 (110 ILCS 979/45)

3 Sec. 45. Illinois prepaid tuition contracts.

4 (a) The Commission may enter into an Illinois prepaid
5 tuition contract with a purchaser under which the Commission
6 contracts on behalf of the State to pay full tuition and
7 mandatory fees at an Illinois public university or Illinois
8 community college for a qualified beneficiary to attend the
9 eligible institution to which the qualified beneficiary is
10 admitted. Each contract shall contain terms, conditions, and
11 provisions that the Commission determines to be necessary for
12 ensuring the educational objectives and sustainable financial
13 viability of the Illinois prepaid tuition program.

14 (b) Each contract shall have one designated purchaser and
15 one designated qualified beneficiary. Unless otherwise
16 specified in the contract, the purchaser owns the contract and
17 retains any tax liability for its assets only until the first
18 distribution of benefits. Contracts shall be purchased in units
19 of 15 credit hours.

20 (c) Without exception, benefits may be received by a
21 qualified beneficiary of an Illinois prepaid tuition contract
22 no earlier than 3 years from the date the contract is
23 purchased.

24 (d) A prepaid tuition contract shall contain, but is not
25 limited to, provisions for (i) refunds or withdrawals in

1 certain circumstances, with or without interest or penalties;
2 (ii) conversion of the contract at the time of distribution
3 from accrued prepayment value at one type of eligible
4 institution to the accrued prepayment value at a different type
5 of eligible institution; (iii) portability of the accrued value
6 of the prepayment value for use at an eligible institution
7 located outside this State; (iv) transferability of the
8 contract benefits within the qualified beneficiary's immediate
9 family; and (v) a specified benefit period during which the
10 contract may be redeemed.

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

13 (1) The amount of payment or payments and the number of
14 payments required from a purchaser on behalf of a qualified
15 beneficiary.

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

19 (3) Provisions for late payment charges and for
20 default.

21 (4) Provisions for penalty fees payable incident to an
22 authorized withdrawal.

23 (5) The name, date of birth, and social security number
24 or taxpayer identification number of the qualified
25 beneficiary on whose behalf the contract is drawn and the
26 terms and conditions under which the contract may be

1 transferred to another qualified beneficiary.

2 (6) The name and social security number or taxpayer
3 identification number of any person who may terminate the
4 contract, together with terms that specify whether the
5 contract may be terminated by the purchaser, the qualified
6 beneficiary, a specific designated person, or any
7 combination of these persons.

8 (7) The terms and conditions under which a contract may
9 be terminated, the name and social security number or
10 taxpayer identification number of the person entitled to
11 any refund due as a result of the termination of the
12 contract pursuant to those terms and conditions, and the
13 method for determining the amount of a refund.

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

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

19 (f) In addition to the contract provisions set forth in
20 subsection (e), each Illinois prepaid tuition contract shall
21 include:

22 (1) The number of credit hours contracted by the
23 purchaser.

24 (2) The type of eligible institution and the prepaid
25 tuition plan toward which the credit hours shall be
26 applied.

1 (3) The explicit contractual obligation of the
2 Commission to the qualified beneficiary to provide a
3 specific number of credit hours of undergraduate
4 instruction at an eligible institution, not to exceed the
5 maximum number of credit hours required for the conference
6 of a degree that corresponds to the plan purchased on
7 behalf of the qualified beneficiary.

8 (g) The Commission shall indicate by rule the conditions
9 under which refunds are payable to a contract purchaser.
10 Generally, no refund shall exceed the amount paid into the
11 Illinois Prepaid Tuition Trust Fund by the purchaser. In the
12 event that a contract is converted from a Public University
13 Plan described in subsection (j) of this Section to a Community
14 College Plan described in subsection (k) of this Section, the
15 refund amount shall be reduced by the amount transferred to the
16 Illinois community college on behalf of the qualified
17 beneficiary. Except where the Commission may otherwise rule,
18 refunds may exceed the amount paid into the Illinois Prepaid
19 Tuition Trust Fund only under the following circumstances:

20 (1) If the qualified beneficiary is awarded a grant or
21 scholarship at a public institution of higher education,
22 the terms of which duplicate the benefits included in the
23 Illinois prepaid tuition contract, then moneys paid for the
24 purchase of the contract shall be returned to the
25 purchaser, upon request, in semester installments that
26 coincide with the matriculation by the qualified

1 beneficiary, in an amount equal to the current cost of
2 tuition and mandatory fees at the public institution of
3 higher education where the qualified beneficiary is
4 enrolled.

5 (1.5) If the qualified beneficiary is awarded a grant
6 or scholarship while enrolled at either an eligible
7 nonpublic institution of higher education or an eligible
8 public or private out-of-state higher education
9 institution, the terms of which duplicate the benefits
10 included in the Illinois prepaid tuition contract, then
11 money paid for the purchase of the contract shall be
12 returned to the purchaser, upon request, in semester
13 installments that coincide with the matriculation by the
14 qualified beneficiary. The amount paid shall not exceed the
15 current average mean-weighted credit hour value of the
16 registration fees purchased under the contract.

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

21 (3) If an Illinois prepaid tuition contract is
22 converted from a Public University Plan to a Community
23 College Plan, then the amount refunded shall be the value
24 of the original Illinois prepaid tuition contract minus the
25 value of the contract after conversion.

26 No refund shall be authorized under an Illinois prepaid

1 tuition contract for any semester partially attended but not
2 completed.

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

6 Moneys paid into or out of the Illinois Prepaid Tuition
7 Trust Fund by or on behalf of the purchaser or the qualified
8 beneficiary of an Illinois prepaid tuition contract are exempt
9 from all claims of creditors of the purchaser or beneficiary,
10 so long as the contract has not been terminated.

11 The State or any State agency, county, municipality, or
12 other political subdivision, by contract or collective
13 bargaining agreement, may agree with any employee to remit
14 payments toward the purchase of Illinois prepaid tuition
15 contracts through payroll deductions made by the appropriate
16 officer or officers of the entity making the payments. Such
17 payments shall be held and administered in accordance with this
18 Act.

19 (h) Nothing in this Act shall be construed as a promise or
20 guarantee that a qualified beneficiary will be admitted to an
21 eligible institution or to a particular eligible institution,
22 will be allowed to continue enrollment at an eligible
23 institution after admission, or will be graduated from an
24 eligible institution.

25 (i) The Commission shall develop and make prepaid tuition
26 contracts available under a minimum of at least 2 independent

1 plans to be known as the Public University Plan and the
2 Community College Plan.

3 Contracts shall be purchased in units of 15 credit hours at
4 either an Illinois public university or an Illinois community
5 college. The minimum purchase amount per qualified beneficiary
6 shall be one unit or 15 credit hours. The maximum purchase
7 amount shall be 9 units (or 135 credit hours) for the Public
8 University Plan and 4 units (or 60 credit hours) for the
9 Community College Plan.

10 (j) Public University Plan. Through the Public University
11 Plan, the Illinois prepaid tuition contract shall provide
12 prepaid registration fees, which include full tuition costs as
13 well as mandatory fees, for a specified number of undergraduate
14 credit hours, not to exceed the maximum number of credit hours
15 required for the conference of a baccalaureate degree. In
16 determining the cost of participation in the Public University
17 Plan, the Commission shall reference the combined
18 mean-weighted current registration fees from Illinois public
19 universities.

20 In the event that a qualified beneficiary for whatever
21 reason chooses to attend an Illinois community college, the
22 qualified beneficiary may convert the average number of credit
23 hours required for the conference of an associate degree from
24 the Public University Plan to the Community College Plan and
25 may retain the remaining Public University Plan credit hours or
26 may request a refund for prepaid credit hours in excess of

1 those required for conference of an associate degree. In
2 determining the amount of any refund, the Commission also shall
3 recognize the current relative credit hour cost of the 2 plans
4 when making any conversion.

5 Qualified beneficiaries shall bear the cost of any
6 laboratory or other non-mandatory fees associated with
7 enrollment in specific courses. Qualified beneficiaries who
8 are not Illinois residents shall bear the difference in cost
9 between in-state registration fees guaranteed by the prepaid
10 tuition contract and tuition and other charges assessed upon
11 out-of-state students by the eligible institution.

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

22 In the event that a qualified beneficiary for whatever
23 reason chooses to attend an Illinois public university, the
24 qualified beneficiary's prepaid tuition contract shall be
25 converted for use at that Illinois public university by
26 referencing the current average mean-weighted credit hour

1 value of registration fees at Illinois community colleges
2 relative to the corresponding value of registration fees at
3 Illinois public universities.

4 Qualified beneficiaries shall bear the cost of any
5 laboratory or other non-mandatory fees associated with
6 enrollment in specific courses. Qualified beneficiaries who
7 are not Illinois residents shall bear the difference in cost
8 between in-state registration fees guaranteed by the prepaid
9 tuition contract and tuition and other charges assessed upon
10 out-of-state students by the eligible institution.

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

1 fully depleted.

2 (m) A qualified beneficiary may apply the benefits of any
3 Illinois prepaid tuition contract toward an eligible
4 out-of-state college or university. Institutional eligibility
5 for out-of-state colleges and universities shall be determined
6 by the Commission according to standards substantially
7 equivalent to those for an eligible institution located in this
8 State, as described in the definition of "institution of higher
9 learning" in Section 10 of the Higher Education Student
10 Assistance Act. In the event that a qualified beneficiary for
11 whatever reason chooses to attend an eligible out-of-state
12 college or university, the qualified beneficiary's prepaid
13 tuition contract shall be converted for use at that college or
14 university by referencing the current average mean-weighted
15 credit hour value of registration fees purchased under the
16 contract. The Commission shall transfer, or cause to have
17 transferred, this amount, less a transfer fee, to the college
18 or university on behalf of the beneficiary. In the event that
19 the cost of registration charged to the beneficiary at the
20 eligible out-of-state college or university is less than the
21 aggregate value of the Illinois prepaid tuition contract, any
22 remaining amount shall be transferred in subsequent semesters
23 until the transfer value is fully depleted.

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

1 (o) The Commission shall annually adjust the price of new
2 contracts, in accordance with the annual changes in
3 registration fees at Illinois public universities and
4 community colleges.

5 (Source: P.A. 95-217, eff. 8-16-07; 96-1282, eff. 7-26-10.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.