



Sen. Melinda Bush

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1 AMENDMENT TO SENATE BILL 217

2 AMENDMENT NO. _____. Amend Senate Bill 217 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Illinois State Training and Employment Program (I-STEP) Act.

6 Section 5. Definitions. In this Act:

7 "Agreement" means a written agreement between the
8 Department of Commerce and Economic Opportunity or the
9 Department of Employment Security and an employer or a business
10 association, labor organization, local workforce investment
11 board, community college, or nonprofit corporation concerning
12 a project and any amendments to that agreement.

13 "Base employment" means the highest number of workers
14 employed by the employer in the last 4 completed quarters
15 preceding the effective date of the agreement establishing the
16 project. The Department of Employment Security shall verify an

1 employer's base employment through means including, but not
2 limited to, wage reports submitted pursuant to the Unemployment
3 Insurance Act.

4 "Business association" means an organization formed under
5 Section 501(c)(6) of the Internal Revenue Code or a generally
6 recognized entity or organization that represents the
7 interests of multiple businesses in Illinois.

8 "Community college" means a community college as defined in
9 Section 1-2 of the Public Community College Act.

10 "Credit" or "I-STEP Credit" means an amount agreed to in an
11 agreement with an employer under this Act that does not exceed
12 the Incremental Income Tax attributable to the employer's
13 project.

14 "Employer" means a for-profit, legal entity including, but
15 not limited to, a sole proprietorship, partnership,
16 corporation, joint venture, association, or cooperative, that
17 has in its employ one or more individuals performing services
18 for it.

19 "Federal minimum wage" means the minimum wage as defined by
20 the federal Fair Labor Standards Act (29 U.S.C. 201 et seq.).

21 "Full-time, permanent job" means a job in which the
22 employee works for the employer at a rate of at least 35 hours
23 per week.

24 "I-STEP Fund" means the fund established in Section 20 of
25 this Act.

26 "Incremental income tax" means the total amount withheld

1 during the taxable year under Article 7 of the Illinois Income
2 Tax Act from the compensation paid to employees in new jobs
3 that are the subject of an agreement.

4 "Labor organization" means an organization defined as a
5 "labor organization" under the National Labor Relations Act.

6 "New job" means a full-time, permanent job located in this
7 State that meets all of the following:

8 (1) The job results in a net increase in the base
9 employment in this State for the employer.

10 (2) The job is not being filled or refilled as a result
11 of a layoff or to replace an employee who is or has been on
12 strike or locked out by the employer.

13 (3) The job is not a job that existed in the employer's
14 business within this State within the last 4 completed
15 quarters preceding the effective date of the agreement.

16 (4) The wage paid for the job is equal to or exceeds
17 175% of the federal minimum wage on the effective date of
18 the agreement.

19 (5) The employer has posted the job on the
20 IllinoisJobLink.com System or its successor system for at
21 least 2 weeks preceding the effective date of the agreement
22 and did not locate an individual who has the requisite
23 expertise, experience, and background, except that this
24 requirement does not apply if either (i) the job would be
25 covered by a collective bargaining agreement between the
26 employer and a labor organization that includes provisions

1 concerning hiring or training or (ii) the employer does not
2 have employees performing services in this State as of the
3 effective date of the Agreement.

4 A new job may not be filled by a child, grandchild, parent,
5 or spouse, other than a spouse who is legally separated from
6 the individual, of any individual who has a direct or indirect
7 ownership interest of at least 5% in the profits, capital, or
8 value of the employer.

9 "Program costs" means all necessary and incidental costs of
10 providing program services in connection with a project,
11 including administrative costs.

12 "Program services" includes, but is not limited to, any of
13 the following items needed to hire or train a worker for a new
14 job:

15 (1) Training or retraining including, but not limited
16 to, training or retraining provided by apprenticeship and
17 training programs approved by and registered with the
18 United States Department of Labor's Bureau of
19 Apprenticeship and Training.

20 (2) Adult basic education and job-related instruction.

21 (3) Developmental, readiness, and remedial education.

22 (4) Vocational and skill-assessment services and
23 testing.

24 (5) Training facilities, equipment, materials, and
25 supplies.

26 "Project" means an arrangement for program services that

1 are the subject of an agreement entered into under this Act.

2 Section 10. Agreement.

3 (a) The Director of Commerce and Economic Opportunity and
4 the Director of Employment Security shall each have the power
5 to enter into an agreement to establish a project with an
6 employer. The agreement may be directly with an employer or
7 with a business association, labor organization, local
8 workforce investment board, community college, or nonprofit
9 corporation acting on behalf of an employer. The Directors of
10 Commerce and Economic Opportunity and Employment Security may
11 consult with the I-STEP Panel before entering into an
12 agreement.

13 (b) An agreement shall, at a minimum:

14 (1) State the project's total program costs.

15 (2) State that the employer may use the I-STEP Credit
16 pursuant to Section 15 to reimburse up to 75% of the
17 project's total program costs. If the Department of
18 Employment Security or the Department of Commerce and
19 Economic Opportunity determines that the project will
20 reduce long-term unemployment in the State, the agreement
21 shall state that the employer may use the I-STEP Credit to
22 reimburse up to 100% of the project's total program costs.

23 (3) Describe the program services to be provided.

24 (4) Specify the number of new jobs covered by the
25 project.

1 (5) Include a certification by the employer that it
2 shall (i) offer to assume the collective bargaining
3 obligations of a prior employer, including any existing
4 collective bargaining agreement with the bargaining
5 representative of any existing collective bargaining unit
6 or units performing substantially similar work to the work
7 being performed by any employee in a new job and (ii) offer
8 employment to all employees currently employed in any
9 existing bargaining unit performing substantially similar
10 work to the work being performed by any employee in a new
11 job.

12 (6) Include a provision that fixes the maximum amount
13 of I-STEP Credit for the reimbursement of program costs for
14 each taxable year.

15 (7) Specify the duration of the I-STEP Credit and the
16 first taxable year for which the Credit may be claimed.

17 (8) Require that an employer shall at all times keep
18 proper books of record and account, in accordance with
19 generally accepted accounting principles consistently
20 applied, with the books, records, or papers related to the
21 agreement in the custody or control of the employer open
22 for reasonable inspection and audits by the Department of
23 Commerce and Economic Opportunity and Department of
24 Employment Security and including, without limitation, the
25 making of copies of the books, records, or papers and the
26 inspection or appraisal of any of the employer or project

1 assets related to the project.

2 (9) Indicate the amount of administrative costs that
3 the employer will be required to deposit into the I-STEP
4 Fund.

5 (10) Contain other provisions the Department of
6 Commerce and Economic Opportunity and Department of
7 Employment Security consider appropriate or necessary.

8 (c) The administrative costs of the Department of Commerce
9 and Economic Opportunity' with respect to each project shall
10 not exceed 5% of the program costs. The Department of
11 Employment Security's administrative costs with respect to
12 each project shall not exceed 5% of the program costs. In the
13 case of an agreement between the Department of Commerce and
14 Economic Opportunity or the Department of Employment Security
15 and a business association, labor organization, local
16 workforce investment board, community college, or nonprofit
17 corporation acting on behalf of an employer, the administrative
18 costs of the business association, labor organization, local
19 workforce investment board, community college, or nonprofit
20 corporation shall not exceed 5% of the program costs and shall
21 be in addition to the program costs of the Department of
22 Commerce and Economic Opportunity and the Department of
23 Employment Security.

24 (d) The Department of Commerce and Economic Opportunity and
25 the Department of Employment Security shall annually report to
26 the General Assembly, no later than December 31, on the new

1 jobs created and amount of credits for which employers have
2 been certified as eligible pursuant to this Act.

3 (e) A summary of each agreement shall be posted on the
4 website maintained pursuant to the Corporate Accountability
5 for Tax Expenditures Act.

6 Section 15. I-STEP Credit.

7 (a) Subject to the conditions set forth in this Act, for
8 any taxable year ending on or after December 31, 2014, an
9 employer is entitled to a credit against its obligation to pay
10 over withholding under Section 704A of the Illinois Income Tax
11 Act, if the employer is awarded a Credit under this Act for
12 that taxable year.

13 (b) The duration of the credit may not exceed 10 taxable
14 years. The credit may be stated as a percentage of the
15 incremental income tax attributable to the employer's project
16 and shall include a fixed dollar limitation that shall not
17 exceed the amount calculated pursuant to paragraph (2) of
18 subsection (b) of Section 10.

19 (c) An employer claiming a credit under this Act shall
20 submit to the Department of Revenue a copy of the certificate
21 of verification under this Act for the taxable year. However,
22 failure to submit a copy of the certificate with the employer's
23 tax return shall not invalidate a claim for a credit.

24 (d) For an employer to be eligible for a certificate of
25 verification, the employer shall provide proof as required by

1 the Department of Commerce and Economic Opportunity or the
2 Department of Employment Security prior to the end of each
3 calendar year including, but not limited to, attestation by the
4 employer:

5 (1) regarding the number of new jobs specified in its
6 agreement and into which it has hired employees;

7 (2) that employees received the program services
8 specified in the agreement; and

9 (3) regarding the amount of program costs incurred by
10 the employer with respect to those new jobs.

11 (e) For a certificate of verification to be valid, it shall
12 be signed by the Director of Commerce and Economic Opportunity
13 or the Director of Employment Security.

14 Section 20. I-STEP Fund.

15 (a) There is established in the State Treasury a special
16 fund to be known as the I-STEP Fund.

17 (b) Money received, earned, or collected pursuant to this
18 Act shall be credited to the I-STEP Fund. All interest earnings
19 on amounts within the I-STEP Fund shall accrue to the I-STEP
20 Fund. The I-STEP Fund may include such funds and accounts as
21 are necessary for the implementation and administration of this
22 Act. All sums recovered for losses sustained by the I-STEP Fund
23 shall be deposited into the I-STEP Fund.

24 (c) Moneys may be paid or expended from the I-STEP Fund for
25 the payment of administrative costs associated with projects

1 established pursuant to this Act.

2 (d) Any payments or expenditures from the I-STEP Fund,
3 other than administrative costs associated with projects
4 established pursuant to this Act, shall require the approval of
5 both the Director of Employment Security and the Director of
6 Commerce and Economic Opportunity.

7 Section 25. I-STEP Panel.

8 (a) There is created the I-STEP Panel. The I-STEP Panel
9 shall consist of the Director of Commerce and Economic
10 Opportunity and the Director of Employment Security, who shall
11 serve as co-chairpersons, and 11 members who shall be appointed
12 by the Governor with the advice and consent of the Senate.

13 (b) The members of the I-STEP Panel shall include a
14 representative from each of the following businesses and
15 groups: manufacturing, small business, a local or State
16 business association or chamber of commerce, building and
17 construction trades unions, a labor organization representing
18 workers engaged in manufacturing, a labor organization
19 representing workers engaged in service professions, a
20 not-for-profit corporation providing workforce training, a
21 community college, and a local workforce investment board.
22 There shall be 2 at-large voting members who reside within
23 counties or municipalities that have had an annual average
24 unemployment rate of at least 120% of the State's annual
25 average unemployment rate as reported by Department of

1 Employment Security for the 5 years preceding the date of
2 appointment. All appointments shall be made in a geographically
3 diverse manner.

4 (c) For the initial appointments to the I-STEP Panel, 5
5 members shall be appointed to serve a 2-year term and 6 members
6 shall be appointed to serve a 4-year term. Thereafter, all
7 appointments shall be for terms of 4 years. The initial term of
8 appointed members shall commence on July 1, 2014. Thereafter,
9 the terms of appointed members shall commence on July 1, except
10 in the case of an appointment to fill a vacancy. Vacancies
11 occurring among the members shall be filled in the same manner
12 as the original appointment for the remainder of the unexpired
13 term. For a vacancy occurring when the Senate is not in
14 session, the Governor may make a temporary appointment until
15 the next meeting of the Senate when a person shall be nominated
16 to fill the office, and, upon confirmation by the Senate, he or
17 she shall hold office during the remainder of the term. A
18 vacancy in membership does not impair the ability of a quorum
19 to exercise all rights and perform all duties of the I-STEP
20 Panel. A member is eligible for reappointment.

21 (d) The I-STEP Panel shall advise the Department of
22 Commerce and Economic Opportunity and Department of Employment
23 Security on the implementation and administration of this Act.

24 (e) Members of the I-STEP Panel shall serve without
25 compensation, but shall be reimbursed for any necessary
26 expenses from funds appropriated for that purpose.

1 Section 30. Powers of the Departments. In addition to those
2 powers granted under the Civil Administrative Code of Illinois,
3 the Department of Commerce and Economic Opportunity and the
4 Department of Employment Security are granted and shall have
5 all the powers necessary or convenient to carry out and
6 effectuate the purposes and provisions of this Act. These
7 powers shall include, but are not limited to, power and
8 authority to:

9 (1) Jointly promulgate procedures or rules necessary
10 and appropriate for the administration of this Act,
11 establish forms for applications, notifications,
12 contracts, or any other agreements, and accept
13 applications at any time during the year.

14 (2) Establish, negotiate, and effectuate any term,
15 agreement, or other document with any person, necessary or
16 appropriate to accomplish the purposes of this Act, and to
17 consent, subject to the provisions of any agreement with
18 another party, to the modification or restructuring of any
19 agreement made pursuant to this Act to which the Department
20 of Commerce and Economic Opportunity or the Department of
21 Employment Security is a party.

22 (3) Fix, determine, charge, and collect any premiums,
23 fees, charges, costs, and expenses from employers
24 including, without limitation, application fees,
25 commitment fees, program fees, financing charges, or

1 publication fees, deemed appropriate to pay expenses
2 necessary or incident to the (i) administration, staffing,
3 or operation in connection with the Department of Commerce
4 and Economic Opportunity's or the Department of Employment
5 Security's activities under this Act, (ii) preparation,
6 implementation, and enforcement of the terms of the
7 agreement, or (iii) consultation, advisory and legal fees
8 and other costs; however, all fees and expenses incident
9 thereto shall be the responsibility of the employer.

10 (4) Provide for sufficient personnel to permit
11 administration, staffing, operation, and related support
12 required to adequately discharge its duties and
13 responsibilities described in this Act from funds made
14 available for that purpose.

15 (5) Gather information and conduct inquiries, in the
16 manner and by methods as deemed desirable including,
17 without limitation, gathering information with respect to
18 employers for the purpose of making any designations or
19 certifications necessary or desirable or to gather
20 information to assist the I-STEP Panel with any
21 recommendation or guidance in the furtherance of the
22 purposes of this Act.

23 Section 85. The State Finance Act is amended by adding
24 Section 5.855 as follows:

1 (30 ILCS 105/5.855 new)

2 Sec. 5.855. The I-STEP Fund.

3 Section 90. The Unemployment Insurance Act is amended by
4 changing Sections 500 and 2101 as follows:

5 (820 ILCS 405/500) (from Ch. 48, par. 420)

6 Sec. 500. Eligibility for benefits. An unemployed
7 individual shall be eligible to receive benefits with respect
8 to any week only if the Director finds that:

9 A. He has registered for work at and thereafter has
10 continued to report at an employment office in accordance with
11 such regulations as the Director may prescribe, except that the
12 Director may, by regulation, waive or alter either or both of
13 the requirements of this subsection as to individuals attached
14 to regular jobs, and as to such other types of cases or
15 situations with respect to which he finds that compliance with
16 such requirements would be oppressive or inconsistent with the
17 purposes of this Act, provided that no such regulation shall
18 conflict with Section 400 of this Act.

19 B. He has made a claim for benefits with respect to such
20 week in accordance with such regulations as the Director may
21 prescribe.

22 C. He is able to work, and is available for work; provided
23 that during the period in question he was actively seeking work
24 and he has certified such. Whenever requested to do so by the

1 Director, the individual shall, in the manner the Director
2 prescribes by regulation, inform the Department of the places
3 at which he has sought work during the period in question.
4 Nothing in this subsection shall limit the Director's approval
5 of alternate methods of demonstrating an active search for work
6 based on regular reporting to a trade union office.

7 1. If an otherwise eligible individual is unable to
8 work or is unavailable for work on any normal workday of
9 the week, he shall be eligible to receive benefits with
10 respect to such week reduced by one-fifth of his weekly
11 benefit amount for each day of such inability to work or
12 unavailability for work. For the purposes of this
13 paragraph, an individual who reports on a day subsequent to
14 his designated report day shall be deemed unavailable for
15 work on his report day if his failure to report on that day
16 is without good cause, and on each intervening day, if any,
17 on which his failure to report is without good cause. As
18 used in the preceding sentence, "report day" means the day
19 which has been designated for the individual to report to
20 file his claim for benefits with respect to any week. This
21 paragraph shall not be construed so as to effect any change
22 in the status of part-time workers as defined in Section
23 407.

24 2. An individual shall be considered to be unavailable
25 for work on days listed as whole holidays in "An Act to
26 revise the law in relation to promissory notes, bonds, due

1 bills and other instruments in writing," approved March 18,
2 1874, as amended; on days which are holidays in his
3 religion or faith, and on days which are holidays according
4 to the custom of his trade or occupation, if his failure to
5 work on such day is a result of the holiday. In determining
6 the claimant's eligibility for benefits and the amount to
7 be paid him, with respect to the week in which such holiday
8 occurs, he shall have attributed to him as additional
9 earnings for that week an amount equal to one-fifth of his
10 weekly benefit amount for each normal work day on which he
11 does not work because of a holiday of the type above
12 enumerated.

13 3. An individual shall be deemed unavailable for work
14 if, after his separation from his most recent employing
15 unit, he has removed himself to and remains in a locality
16 where opportunities for work are substantially less
17 favorable than those in the locality he has left.

18 4. An individual shall be deemed unavailable for work
19 with respect to any week which occurs in a period when his
20 principal occupation is that of a student in attendance at,
21 or on vacation from, a public or private school.

22 5. Notwithstanding any other provisions of this Act, an
23 individual shall not be deemed unavailable for work or to
24 have failed actively to seek work, nor shall he be
25 ineligible for benefits by reason of the application of the
26 provisions of Section 603, with respect to any week,

1 because he is enrolled in and is in regular attendance at a
2 training course approved for him by the Director:

3 (a) but only if, with respect to that week, the
4 individual presents, upon request, to the claims
5 adjudicator referred to in Section 702 a statement
6 executed by a responsible person connected with the
7 training course, certifying that the individual was in
8 full-time attendance at such course during the week.
9 The Director may approve such course for an individual
10 only if he finds that (1) reasonable work opportunities
11 for which the individual is fitted by training and
12 experience do not exist in his locality; (2) the
13 training course relates to an occupation or skill for
14 which there are, or are expected to be in the immediate
15 future, reasonable work opportunities in his locality;
16 (3) the training course is offered by a competent and
17 reliable agency, educational institution, or employing
18 unit; (4) the individual has the required
19 qualifications and aptitudes to complete the course
20 successfully; and (5) the individual is not receiving
21 and is not eligible (other than because he has claimed
22 benefits under this Act) for subsistence payments or
23 similar assistance under any public or private
24 retraining program: Provided, that the Director shall
25 not disapprove such course solely by reason of clause
26 (5) if the subsistence payment or similar assistance is

1 subject to reduction by an amount equal to any benefits
2 payable to the individual under this Act in the absence
3 of the clause. In the event that an individual's weekly
4 unemployment compensation benefit is less than his
5 certified training allowance, that person shall be
6 eligible to receive his entire unemployment
7 compensation benefits, plus such supplemental training
8 allowances that would make an applicant's total weekly
9 benefit identical to the original certified training
10 allowance.

11 (b) The Director shall have the authority to grant
12 approval pursuant to subparagraph (a) above prior to an
13 individual's formal admission into a training course.
14 Requests for approval shall not be made more than 30
15 days prior to the actual starting date of such course.
16 Requests shall be made at the appropriate unemployment
17 office.

18 (c) The Director shall for purposes of paragraph C
19 have the authority to issue a blanket approval of
20 training programs implemented pursuant to the federal
21 Workforce Investment Act of 1998 if both the training
22 program and the criteria for an individual's
23 participation in such training meet the requirements
24 of this paragraph C.

25 (d) Notwithstanding the requirements of
26 subparagraph (a), the Director shall have the

1 authority to issue blanket approval of training
2 programs implemented under the terms of a collective
3 bargaining agreement.

4 (e) Notwithstanding any other provision of this
5 Act, program services implemented under the Illinois
6 State Training and Employment Program (I-STEP) Act
7 shall constitute training approved pursuant to this
8 paragraph C.

9 6. Notwithstanding any other provisions of this Act, an
10 individual shall not be deemed unavailable for work or to
11 have failed actively to seek work, nor shall he be
12 ineligible for benefits, by reason of the application of
13 the provisions of Section 603 with respect to any week
14 because he is in training approved under Section 236 (a) (1)
15 of the federal Trade Act of 1974, nor shall an individual
16 be ineligible for benefits under the provisions of Section
17 601 by reason of leaving work voluntarily to enter such
18 training if the work left is not of a substantially equal
19 or higher skill level than the individual's past adversely
20 affected employment as defined under the federal Trade Act
21 of 1974 and the wages for such work are less than 80% of
22 his average weekly wage as determined under the federal
23 Trade Act of 1974.

24 D. If his benefit year begins prior to July 6, 1975 or
25 subsequent to January 2, 1982, he has been unemployed for a
26 waiting period of 1 week during such benefit year. If his

1 benefit year begins on or after July 6, 1975, but prior to
2 January 3, 1982, and his unemployment continues for more than
3 three weeks during such benefit year, he shall be eligible for
4 benefits with respect to each week of such unemployment,
5 including the first week thereof. An individual shall be deemed
6 to be unemployed within the meaning of this subsection while
7 receiving public assistance as remuneration for services
8 performed on work projects financed from funds made available
9 to governmental agencies for such purpose. No week shall be
10 counted as a week of unemployment for the purposes of this
11 subsection:

12 1. Unless it occurs within the benefit year which
13 includes the week with respect to which he claims payment
14 of benefits, provided that, for benefit years beginning
15 prior to January 3, 1982, this requirement shall not
16 interrupt the payment of benefits for consecutive weeks of
17 unemployment; and provided further that the week
18 immediately preceding a benefit year, if part of one
19 uninterrupted period of unemployment which continues into
20 such benefit year, shall be deemed (for the purpose of this
21 subsection only and with respect to benefit years beginning
22 prior to January 3, 1982, only) to be within such benefit
23 year, as well as within the preceding benefit year, if the
24 unemployed individual would, except for the provisions of
25 the first paragraph and paragraph 1 of this subsection and
26 of Section 605, be eligible for and entitled to benefits

1 for such week.

2 2. If benefits have been paid with respect thereto.

3 3. Unless the individual was eligible for benefits with
4 respect thereto except for the requirements of this
5 subsection and of Section 605.

6 E. With respect to any benefit year beginning prior to
7 January 3, 1982, he has been paid during his base period wages
8 for insured work not less than the amount specified in Section
9 500E of this Act as amended and in effect on October 5, 1980.
10 With respect to any benefit year beginning on or after January
11 3, 1982, he has been paid during his base period wages for
12 insured work equal to not less than \$1,600, provided that he
13 has been paid wages for insured work equal to at least \$440
14 during that part of his base period which does not include the
15 calendar quarter in which the wages paid to him were highest.

16 F. During that week he has participated in reemployment
17 services to which he has been referred, including but not
18 limited to job search assistance services, pursuant to a
19 profiling system established by the Director by rule in
20 conformity with Section 303(j)(1) of the federal Social
21 Security Act, unless the Director determines that:

22 1. the individual has completed such services; or

23 2. there is justifiable cause for the claimant's
24 failure to participate in such services.

25 This subsection F is added by this amendatory Act of 1995
26 to clarify authority already provided under subsections A and C

1 in connection with the unemployment insurance claimant
2 profiling system required under subsections (a)(10) and (j)(1)
3 of Section 303 of the federal Social Security Act as a
4 condition of federal funding for the administration of the
5 Unemployment Insurance Act.

6 (Source: P.A. 92-396, eff. 1-1-02.)

7 (820 ILCS 405/2101) (from Ch. 48, par. 661)

8 Sec. 2101. Special administrative account. Except as
9 provided in Section 2100, all interest and penalties collected
10 pursuant to this Act shall be deposited in the special
11 administrative account. The amount in this account in excess of
12 \$100,000 on the close of business of the last day of each
13 calendar quarter shall be immediately transferred to this
14 State's account in the unemployment trust fund. However,
15 subject to Section 2101.1, such funds shall not be transferred
16 where it is determined by the Director that it is necessary to
17 accumulate funds in the account in order to have sufficient
18 funds to pay interest that may become due under the terms of
19 Section 1202 (b) of the Federal Social Security Act, as
20 amended, upon advances made to the Illinois Unemployment
21 Insurance Trust Fund under Title XII of the Federal Social
22 Security Act or where it is determined by the Director that it
23 is necessary to accumulate funds in the special administrative
24 account in order to have sufficient funds to expend for any
25 other purpose authorized by this Section. The moneys available

1 in the special administrative account shall be expended upon
2 the direction of the Director whenever it appears to him that
3 such expenditure is necessary for:

4 A. 1. The proper administration of this Act and no Federal
5 funds are available for the specific purpose for which such
6 expenditure is to be made, provided the moneys are not
7 substituted for appropriations from Federal funds, which in the
8 absence of such moneys would be available and provided the
9 monies are appropriated by the General Assembly.

10 2. The proper administration of this Act for which purpose
11 appropriations from Federal funds have been requested but not
12 yet received, provided the special administrative account will
13 be reimbursed upon receipt of the requested Federal
14 appropriation.

15 B. To the extent possible, the repayment to the fund
16 established for financing the cost of administration of this
17 Act of moneys found by the Secretary of Labor of the United
18 States of America, or other appropriate Federal agency, to have
19 been lost or expended for purposes other than, or in amounts in
20 excess of, those found necessary by the Secretary of Labor, or
21 other appropriate Federal agency, for the administration of
22 this Act.

23 C. The payment of refunds or adjustments of interest or
24 penalties, paid pursuant to Sections 901 or 2201.

25 D. The payment of interest on refunds of erroneously paid
26 contributions, penalties and interest pursuant to Section

1 2201.1.

2 E. The payment or transfer of interest or penalties to any
3 Federal or State agency, pursuant to reciprocal arrangements
4 entered into by the Director under the provisions of Section
5 2700E.

6 F. The payment of any costs incurred, pursuant to Section
7 1700.1.

8 G. Beginning January 1, 1989, for the payment for the legal
9 services authorized by subsection B of Section 802, up to
10 \$1,000,000 per year for the representation of the individual
11 claimants and up to \$1,000,000 per year for the representation
12 of "small employers".

13 H. The payment of any fees for collecting past due
14 contributions, payments in lieu of contributions, penalties,
15 and interest shall be paid (without an appropriation) from
16 interest and penalty monies received from collection agents
17 that have contracted with the Department under Section 2206 to
18 collect such amounts, provided however, that the amount of such
19 payment shall not exceed the amount of past due interest and
20 penalty collected.

21 I. The payment of interest that may become due under the
22 terms of Section 1202 (b) of the Federal Social Security Act,
23 as amended, for advances made to the Illinois Unemployment
24 Insurance Trust Fund.

25 J. Expenses incurred by the Department in the
26 administration of the Illinois State Training and Employment

1 Program (I-STEP) Act.

2 The Director shall annually on or before the first day of
3 March report in writing to the Employment Security Advisory
4 Board concerning the expenditures made from the special
5 administrative account and the purposes for which funds are
6 being accumulated.

7 If Federal legislation is enacted which will permit the use
8 by the Director of some part of the contributions collected or
9 to be collected under this Act, for the financing of
10 expenditures incurred in the proper administration of this Act,
11 then, upon the availability of such contributions for such
12 purpose, the provisions of this Section shall be inoperative
13 and interest and penalties collected pursuant to this Act shall
14 be deposited in and be deemed a part of the clearing account.
15 In the event of the enactment of the foregoing Federal
16 legislation, and within 90 days after the date upon which
17 contributions become available for expenditure for costs of
18 administration, the total amount in the special administrative
19 account shall be transferred to the clearing account, and after
20 clearance thereof shall be deposited with the Secretary of the
21 Treasury of the United States of America to the credit of the
22 account of this State in the unemployment trust fund,
23 established and maintained pursuant to the Federal Social
24 Security Act, as amended.

25 (Source: P.A. 94-1083, eff. 1-19-07.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".