



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3418

Introduced 2/17/2023, by Rep. Justin Slaughter

#### SYNOPSIS AS INTRODUCED:

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Creates the Securing All Futures through Equitable Reinvestment (SAFER) Communities and Small Business Act. Requires the Department of Human Services to establish and administer a SAFER Communities Wage Subsidy Pilot Program. Provides that the wage subsidy shall apply to no more than 6,000 participants. Requires the Department to maintain a database of all participants for the duration of the incentive period. Provides that individuals seeking to participate in the pilot program shall register with the Department on or after January 1, 2024. Requires the Department to verify individuals' eligibility to participate in the pilot program by checking their employment and felony conviction history. Contains provisions concerning certificates of eligibility for wage subsidies under the pilot program; the monetary amount of monthly wage subsidy payments awarded under the pilot program; certain conditions program participants must satisfy to receive monthly wage subsidy payments; the maximum amount of wage subsidies allowed under the pilot program; promotion efforts for the pilot program conducted by the Department of Corrections; and other matters. Requires the Department to establish a Returning Citizen and Small Business Grant Program. Sets forth requirements a small business must meet to be eligible for a grant under the program. Provides that an eligible small business shall be awarded grants in the amount of \$2,500 per new qualifying returning citizen hired. Limits the total annual amount in grants an eligible small business may receive under the grant program. Contains provisions concerning data collection and reporting requirements for the Secretary of Human Services. Provides that implementation of the Act is subject to appropriation. Permits the Department of Human Services to use State or federal funding to administer the SAFER Communities Wage Subsidy Pilot Program and the Returning Citizen and Small Business Grant Program. Grants rulemaking authority to the Department of Human Services and the Department of Corrections. Provides that the Act is repealed on December 31, 2029. Effective immediately.

LRB103 29223 SPS 55610 b

1 AN ACT concerning employment.

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

4 Section 1. Short title. This Act may be cited as the  
5 Securing All Futures through Equitable Reinvestment (SAFER)  
6 Communities and Small Business Act.

7 Section 5. Intent. To reverse the trend of high  
8 unemployment among formerly incarcerated individuals and to  
9 spur the economic recovery of small businesses in Illinois, it  
10 is necessary to provide financial incentives for employers to  
11 create new, full-time jobs for individuals with felony  
12 conviction records.

13 The intent of this Act is to facilitate the re-entry into  
14 society of formerly incarcerated individuals and to create  
15 financial incentives, in the form of wage subsidies and small  
16 business grants, for employers to hire formerly incarcerated  
17 individuals.

18 Section 10. Definitions. As used in this Act:

19 "Applicant" means a person who is operating either: (i) a  
20 not-for-profit organization that is tax-exempt under Section  
21 501(c)(3) of the Internal Revenue Code; or (ii) a business  
22 engaged in interstate or intrastate commerce, located within

1 the State that hires a participant for a position under a union  
2 contract or for a position that offers a basic wage and  
3 benefits package as compensation. In the case of any person  
4 that is a member of a unitary business group as defined in  
5 paragraph (27) of subsection (a) of Section 1501 of the  
6 Illinois Income Tax Act, "applicant" refers to the unitary  
7 business group.

8 "Basic wage" means a minimum of 133% of the local hourly  
9 minimum wage.

10 "Benefits package" means the benefits outside of the  
11 employee's basic wage including:

12 (1) a minimum of 5 days of earned sick time; and

13 (2) a minimum of 5 days of paid vacation.

14 "Certificate of eligibility" means the certificate issued  
15 by the Department under Section 25.

16 "Date of hire" means the first day upon which the  
17 participant provides services as an employee of the applicant  
18 under a union contract or for a basic wage and benefits package  
19 as compensation.

20 "Department" means the Department of Human Services.

21 "Disproportionately impacted area" means a census tract or  
22 comparable geographic area that has high rates of arrest,  
23 conviction, and incarceration among residents, as determined  
24 by the Department of Commerce and Economic Opportunity.

25 "Full-time employee" means an individual who has a  
26 position under a union contract or is employed for a basic wage

1 for at least 30 hours each week and receives a benefits package  
2 as compensation.

3 "Incentive period" means the period beginning on March 1,  
4 2024 and ending on February 29, 2029.

5 "Noncompliance date" means, in the case of an applicant  
6 that is not complying with the requirements of this Act, the  
7 date upon which the applicant became noncompliant with the  
8 requirements of this Act, as determined by the Secretary under  
9 Section 40.

10 "Participant" means a full-time employee who:

11 (1) was unemployed or making less than the basic wage  
12 before being hired by an applicant;

13 (2) was convicted of a felony crime in Illinois;

14 (3) is registered for the SAFER Communities Wage  
15 Subsidy Pilot Program described in Section 20; and

16 (4) is subsequently hired during the incentive period  
17 by an applicant for a position under union contract or for  
18 a position that offers a basic wage and benefits package  
19 as compensation.

20 "Participant" does not include a person who was employed  
21 prior to the onset of the incentive period as a full-time  
22 employee by the applicant or a related member of the applicant  
23 that has more than 15 total employees.

24 "Qualifying returning citizen" means an Illinois resident  
25 who has been incarcerated within 10 years prior to the date  
26 that a Returning Citizen and Small Business Grant, described

1 in Section 60, is awarded.

2 "Re-entering person" means an individual who is in the  
3 physical custody of the Department of Corrections and is  
4 scheduled to be released from custody within 12 months.

5 "Secretary" means the Secretary of Human Services.

6 "Small business" means a business located within this  
7 State that:

8 (1) is engaged in interstate or intrastate commerce;  
9 and

10 (2) employs 100 or fewer employees.

11 "Wage subsidy" means the amount awarded by the Department  
12 to an applicant by issuance of a certificate under Section 30  
13 for each participant hired.

14 Section 15. Powers of the Department. The Department is  
15 granted and shall have all the powers necessary or convenient  
16 to carry out and effectuate the purposes and provisions of  
17 this Act, including, but not limited to, the power and  
18 authority to:

19 (1) Adopt rules or procedures deemed necessary and  
20 appropriate for the administration of this Act; establish  
21 forms for applications, notifications, contracts, or any  
22 other agreements; and accept applications at any time  
23 during the year and require that all applications be  
24 submitted via the Internet. The Department shall require  
25 that applications be submitted in electronic form.

1           (2) Provide guidance and assistance to an applicant in  
2 accordance with this Act, and cooperate with applicants to  
3 promote, foster, and support job creation within the  
4 State.

5           (3) Enter into agreements and memoranda of  
6 understanding with agencies of the federal government,  
7 units of local government, universities, research  
8 foundations or institutions, regional economic development  
9 corporations, or other organizations for the purposes of  
10 this Act.

11           (4) Gather information with respect to applicants for  
12 the purpose of making any designations or certifications  
13 in furtherance of the purposes of this Act.

14           (5) Provide for sufficient personnel to adequately  
15 discharge its duties and responsibilities described in  
16 this Act from any funds appropriated by the General  
17 Assembly for the administration of this Act.

18           (6) Require applicants, upon written request, to issue  
19 any necessary authorization to the appropriate federal,  
20 State, or local authority or any other person for the  
21 release to the Department of information requested by the  
22 Department, with the information requested to include, but  
23 not limited to, financial reports, returns, or records  
24 relating to the applicant or to the amount of the wage  
25 subsidy allowable under this Act.

1 Section 20. SAFER Communities Wage Subsidy Pilot Program.

2 (a) The Department shall establish and administer a SAFER  
3 Communities Wage Subsidy Pilot Program. Within each calendar  
4 year of the incentive period, the wage subsidy shall apply to  
5 no more than 6,000 participants. A maximum of 3,000  
6 participants per calendar year shall be participants who have  
7 been released from the custody of any correctional facility in  
8 the State within one year of the date of registration for the  
9 pilot program. A maximum of 3,000 participants per calendar  
10 year shall be participants who have been released from the  
11 custody of any correctional facility in the State within a  
12 period of not more than 10 years and not less than one year  
13 from the date of registration for the pilot program.

14 (b) The Department shall maintain a database of all  
15 participants for the duration of the incentive period.

16 (1) Individuals seeking to participate in the pilot  
17 program shall register with the Department on or after  
18 January 1, 2024.

19 (2) The Department shall verify individuals'  
20 eligibility to participate in the pilot program by  
21 checking their employment and felony conviction history.

22 (3) The Department shall mail a letter containing a  
23 denial or confirmation of the individual's eligibility to  
24 participate in the pilot program to the primary address of  
25 the individual. The Department shall also send an email  
26 with an electronic version of the letter attached to the

1 primary email address of the individual.

2 (A) The denial letter shall state the reason why  
3 the individual is being denied.

4 (B) The confirmation letter shall state the  
5 identifying number assigned to the individual.

6 (C) The Department shall maintain a record of the  
7 participants and the corresponding applicant.

8 Section 25. Certificate of eligibility for wage subsidy.

9 (a) An applicant that hires a participant as a full-time  
10 employee during the incentive period may apply for a  
11 certificate of eligibility for the wage subsidy on or after  
12 the date of hire.

13 (b) An applicant may apply for a certificate of  
14 eligibility for the wage subsidy for more than one participant  
15 on or after the date of hire of each qualifying participant.  
16 The application shall include the following:

17 (1) the name, Social Security number or Individual  
18 Taxpayer Identification number, job description, salary or  
19 wage rate, and date of hire of each participant with  
20 respect to whom the wage subsidy is being requested, and  
21 whether each participant is registered in the pilot  
22 program described in Section 20;

23 (2) the number of participants hired by the applicant  
24 during the incentive period;

25 (3) an agreement that the Secretary is authorized to



1           verify with the appropriate State agencies the information  
2           contained in the request before issuing a certificate to  
3           the applicant;

4           (4) the physical address of the workplace to which the  
5           participant reports for work; and

6           (5) any other information the Department determines to  
7           be appropriate.

8           (c) After receipt of an application and approval of  
9           eligibility under this Section, the Department shall issue a  
10          certificate of eligibility to all qualified applicants,  
11          stating:

12          (1) the date and time on which the application was  
13          received by the Department and an identifying number  
14          assigned to the applicant by the Department; and

15          (2) the monthly amount of wage subsidy the applicant  
16          would receive under this Act with respect to the new  
17          employees listed on the application.

18          (d) After the initial certificate of eligibility is  
19          issued, the applicant must submit a monthly report of  
20          employment of all participants to the Department. The  
21          Department shall review the report on a monthly basis and  
22          determine the applicant's eligibility for a monthly wage  
23          subsidy under this Act.

24          (e) Each applicant shall, on a monthly basis starting from  
25          receipt of the certificate of eligibility for the wage  
26          subsidy, submit a year-to-date report of the employment of

1 participants to remain in good standing to receive the wage  
2 subsidy.

3 (f) The reports shall be submitted in the form and manner  
4 required by the Department.

5 Section 30. Wage subsidy.

6 (a) Subject to the conditions set forth in this Act, an  
7 applicant with a certificate of eligibility is entitled to a  
8 monthly wage subsidy for each participant that was employed  
9 for a full calendar month by the applicant if the following  
10 conditions are met:

11 (1) the participant was continuously employed under a  
12 union contract or for a basic wage and benefits package;  
13 and

14 (2) starting from the date of hire of the participant,  
15 the applicant maintained or increased the total number of  
16 full-time Illinois employees.

17 (b) The Department shall make monthly wage subsidy  
18 payments to qualified applicants with a certificate of  
19 eligibility that are in compliance with the requirements of  
20 this Act.

21 (c) The Department shall issue a wage subsidy payment to  
22 the applicant for each participant that was continuously  
23 employed for an entire calendar month after the date on which  
24 the certificate is issued by the Department, and each month  
25 thereafter for a maximum of 12 months during the incentive

1 period, as long as the participant's employment with the  
2 applicant is continuously maintained and the Department  
3 determines the applicant is in compliance with the  
4 requirements of this Act.

5 (d) The monetary amount of each monthly wage subsidy  
6 payment awarded to an applicant for each participant who was  
7 continuously employed for an entire calendar month shall  
8 equal:

9 (1) \$1,250 for all applicants whose workplaces are  
10 located in disproportionately impacted areas; and

11 (2) \$850 for all other applicants.

12 Section 35. Maximum amount of wage subsidies allowed. To  
13 the extent authorized under Section 30, during the incentive  
14 period the Department shall limit the total annual amount of  
15 wage subsidies awarded under this Act to no more than  
16 \$50,000,000. If applications for a greater amount are  
17 received, wage subsidies shall be allowed on a first come,  
18 first served basis, based on the date on which each properly  
19 completed application for a certificate of eligibility is  
20 received by the Department. If more than one certificate of  
21 eligibility is received on the same day, the wage subsidies  
22 shall be awarded based on the time of submission for that  
23 particular day.

24 Section 40. Noncompliance.

1 (a) If the Secretary determines that an applicant that has  
2 received a wage subsidy under this Act is not complying with  
3 the requirements of this Act, the Secretary shall provide  
4 notice to the applicant of the alleged noncompliance, and  
5 allow the applicant a hearing under the Illinois  
6 Administrative Procedure Act.

7 (b) If, after such notice and any hearing, the Secretary  
8 determines that noncompliance exists, the Secretary shall  
9 issue a notice to the applicant to that effect stating the  
10 noncompliance date.

11 Section 45. Awareness promotion of the pilot program. From  
12 January 1, 2024 through the end of the incentive period, the  
13 Department of Corrections shall implement procedures to  
14 promote awareness and participation in the SAFER Communities  
15 Wage Subsidy Pilot Program among re-entering persons,  
16 including, but not limited to, the following:

17 (1) The Department of Corrections shall ensure that  
18 the wardens or superintendents of all correctional  
19 institutions and facilities visibly post information about  
20 the availability and registration process for the SAFER  
21 Communities Wage Subsidy Pilot Program in all common areas  
22 of their respective institutions, and shall broadcast the  
23 same via in-house institutional information television  
24 channels. The Department of Corrections shall ensure that  
25 updated information is distributed in a timely, visible,

1 and accessible manner.

2 (2) The Department of Corrections shall ensure that  
3 upon release as a committed person on parole, mandatory  
4 supervised release, aftercare release, final discharge, or  
5 pardon, a re-entering person shall be provided with  
6 written information about the availability and  
7 registration process for the SAFER Communities Wage  
8 Subsidy Pilot Program.

9 (3) The Department of Corrections shall provide  
10 direction to each parole office within this State that  
11 information about the availability and registration  
12 process for the SAFER Communities Wage Subsidy Pilot  
13 Program be posted in a visible and accessible manner.

14 (4) The Department of Corrections shall distribute  
15 written information about the availability and  
16 registration process for the SAFER Communities Wage  
17 Subsidy Pilot Program to the Community Support Advisory  
18 Councils of the Department of Corrections for use in  
19 re-entry programs across this State.

20 Section 50. Returning Citizens and Small Business Grant  
21 Program.

22 (a) The Department shall establish a Returning Citizen and  
23 Small Business Grant Program.

24 (b) The Department shall provide grants to small  
25 businesses that hire qualified returning citizens to offset

1 the costs of paid, on-the-job training.

2 (c) To be eligible for grants issued under this Section, a  
3 small business must:

4 (1) provide a certification indicating that it has  
5 hired a qualified returning citizen as a full-time  
6 employee;

7 (2) provide on-the-job training to that returning  
8 citizen for at least 60 days; and

9 (3) paid the qualifying returning citizen at least a  
10 basic wage.

11 (d) An eligible small business shall be awarded grants in  
12 the amount of \$2,500 per new qualifying returning citizen  
13 hired.

14 (e) Eligible small businesses shall not be limited to one  
15 grant.

16 (f) The Department shall limit the total annual amount of  
17 small business grants to no more than \$25,000,000. The  
18 Department shall administer the issuance of grants under the  
19 Program on a first come, first served basis.

20 Section 55. Data collection and reporting. In partnership  
21 with the Illinois Sentencing Policy Advisory Council, the  
22 Secretary shall make publicly available annual reports on the  
23 utilization, outcomes, and impact of the SAFER Communities  
24 Wage Subsidy Pilot Program and the Returning Citizen and Small  
25 Business Grant Program described in this Act, including, but

1 not limited to:

2 (1) the total number of participants hired under each  
3 program, disaggregated by categories of race, age, gender,  
4 hourly wage, length of job retention, recidivism status,  
5 job location by region, and employment industry; and

6 (2) the impact of each program on overall statewide  
7 recidivism rates, individual rate of recidivism, and any  
8 public savings or fiscal impact associated with reduced  
9 recidivism rates on the State economy.

10 Section 60. Funding. Implementation of this Act is subject  
11 to appropriation. The Department may use State or federal  
12 funding to administer the SAFER Communities Wage Subsidy Pilot  
13 Program and the Returning Citizen and Small Business Grant  
14 Program described in this Act.

15 Section 70. Rulemaking authority.

16 (a) The Department may adopt rules necessary to implement  
17 this Act. Any administrative rules necessary to implement this  
18 Act shall be filed by the Department within 6 months after the  
19 effective date of this Act.

20 (b) The Department of Corrections shall adopt rules to  
21 carry out its responsibilities under this Act. Any  
22 administrative rules necessary to implement its  
23 responsibilities under this Act shall be filed by the  
24 Department of Corrections within 6 months after the effective

1 date of this Act.

2 Section 75. Repealer. This Act is repealed on December 31,  
3 2029.

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.



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Statutes amended in order of appearance

3

New Act