

1 AN ACT in relation to higher education.

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

4 Section 5. The Illinois Financial Assistance Act for  
5 Nonpublic Institutions of Higher Learning is amended by  
6 changing Sections 3, 4, 5, and 7 as follows:

7 (110 ILCS 210/3) (from Ch. 144, par. 1333)

8 Sec. 3. For the academic year beginning in 2002  
9 ~~September-17-1977~~, institutional grants may ~~shall~~ be made for  
10 that and for each succeeding academic year to each nonpublic  
11 institution of higher learning in an amount determined by  
12 allocating amounts for funding this Act among the eligible  
13 institutions in accordance with a formula or formulae based  
14 upon one or more of the following factors: ~~on~~ the number of  
15 undergraduate degrees granted to students who are residents  
16 of the State of Illinois enrolled as students at each such  
17 institution; the number of full-time equivalent undergraduate  
18 students who are residents of the State of Illinois enrolled  
19 as students at each such institution; and the number of ~~7-~~with  
20 ~~double-credit-being-given-to-the~~ full-time equivalent of such  
21 students who are junior or senior students at such  
22 institutions. ~~The---number---of---full-time---equivalent~~  
23 ~~undergraduate---students---enrolled---at---eligible---nonpublic~~  
24 ~~institutions-of-higher-learning-shall-be-determined-as-of-the~~  
25 ~~first-day-of-the-fourth-week-of-classes--of--the--fall--term.~~  
26 The Board of Higher Education shall establish formula  
27 allocations guidelines and adopt rules necessary for the  
28 administration of this Act.

29 Conditions of institutional eligibility for these grants  
30 shall include but need not be limited to the following:

31 (1) That the governing board of the institution possess

1 its own sovereignty.

2 (2) That the governing board, or its delegated  
3 institutional officials, possess final authority in all  
4 matters of local control, including educational policy,  
5 choice of personnel, determination of program, and financial  
6 management.

7 (3) That the institution possess and maintain an open  
8 policy with respect to race, creed and color as to admission  
9 of students, appointment of faculty and employment of staff.

10 (4) That the institution be able to show its current  
11 financial stability and reasonable prospects for its future  
12 stability.

13 (5) That the institution not be operated for profit.

14 (6) That the institution provide a full financial report  
15 including a certified audit, and participate in the unit cost  
16 study and other studies conducted annually by the Board of  
17 Higher Education.

18 (7) If required by rule of the Board, that the  
19 institution submit to an additional annual external audit of  
20 its enrollment records and nonsectarian use of funds.

21 (Source: P.A. 84-834.)

22 (110 ILCS 210/4) (from Ch. 144, par. 1334)

23 Sec. 4. For the academic year beginning in 2002  
24 ~~1971-1972~~ and each academic year thereafter, each eligible  
25 institution of higher learning shall prepare and certify to  
26 the Board in writing any information required by the Board to  
27 justify the grants ~~of--Higher--Education,~~ ~~on-the-basis-of~~  
28 ~~enrollment-at-that-institution-on-October-1-of-that--year,~~ ~~a~~  
29 ~~list--of--the--names,~~ ~~addresses--and--classification-of-each~~  
30 ~~resident-of-Illinois-enrolled--as--a--full-time--freshman--or~~  
31 ~~sophomore--and--of--each--resident--of-Illinois-enrolled-as-a~~  
32 ~~full-time-junior-or-senior-at-that-institution-and-a--similar~~  
33 ~~list--of--the--names,~~ ~~addresses,~~ ~~and--classifications--of~~

1 residents-of-Illinois--enrolled--as--part-time--freshmen--and  
 2 sophomores,--and--as--part-time--juniors--and-seniors-at-such  
 3 institution,--together-with-a-certification-of-the--number--of  
 4 credit--hours--for--which--such--students--are-enrolled. This  
 5 information certified-list shall be signed and furnished to  
 6 the Board by the chief administrative officer of the  
 7 institution.

8 (Source: P.A. 80-289.)

9 (110 ILCS 210/5) (from Ch. 144, par. 1335)

10 Sec. 5. The Board shall prescribe and advise such  
 11 institutions as to the form of certificate or certificates to  
 12 be submitted under Section 4 of this Act, and promptly upon  
 13 receipt of such certificates from the institutions shall  
 14 certify to the State Comptroller ~~Treasurer~~ the aggregate  
 15 amount of the grant allocable to and to be paid to each such  
 16 institution. The Board shall examine the certificates  
 17 furnished by the institutions and may require such further  
 18 data and information as the Board may request. Upon written  
 19 notice by the Board to any institution, the Board may examine  
 20 the institution's student enrollment records for the purpose  
 21 of verification, amendment or correction of any such  
 22 certificate.

23 (Source: P.A. 77-273.)

24 (110 ILCS 210/7) (from Ch. 144, par. 1337)

25 Sec. 7. The Board shall keep an accurate record of all  
 26 its activities under this Act and ~~by-February--15,--1972--and~~  
 27 ~~each--year--thereafter,~~ shall make a report to its members, to  
 28 the Governor and to the General Assembly ~~Auditor--of--Public~~  
 29 ~~Accounts,~~ such report to be a part of its annual report in a  
 30 ~~form-prescribed-by-its-members,--with-the-written-approval--of~~  
 31 ~~the-Auditor-of-Public-Accounts.~~

32 (Source: P.A. 77-273.)

1 Section 10. The Health Services Education Grants Act is  
2 amended by changing Section 4 as follows:

3 (110 ILCS 215/4) (from Ch. 111 1/2, par. 824)

4 Sec. 4. Grants may be made to medical, dental, pharmacy,  
5 optometry, and nursing schools, to physician assistant  
6 programs, to other health-related schools and programs, and  
7 to hospitals and clinical facilities used in health service  
8 training programs.

9 Qualification for grants shall be on the basis of either  
10 the number of Illinois resident enrollees or the number of  
11 degrees granted to students who are residents of this State,  
12 ~~an-increase-in-the-number-of-Illinois-resident-enrollees,~~ or  
13 both. The grant ~~or-proportion-of-increase-required-to~~  
14 ~~qualify~~ shall be determined by the Board of Higher Education  
15 for each class of institution. ~~However,-in-no-case-shall-an~~  
16 ~~institution-qualify-for-grants-unless--the--increase--in--its~~  
17 ~~number--of--Illinois--resident-enrollees-is-at-least-equal-to~~  
18 ~~the-increase-in-total-enrollment-made-possible--through--such~~  
19 ~~grants.~~

20 At the discretion of the Board of Higher Education grants  
21 may be made for each class of institution in any or all of  
22 the following forms:

23 (1) Single nonrecurring grants for planning and capital  
24 expense based on the increase in the number of Illinois  
25 resident enrollees;

26 (2) Annual grants based on the ~~increase-in-the~~ number of  
27 degrees granted to (a) Illinois resident enrollees, or (b)  
28 Illinois resident enrollees from minority racial and ethnic  
29 groups, or both (a) and (b); and

30 (3) Annual stabilization grants based on the number of  
31 (a) Illinois residents ~~already~~ enrolled, or (b) Illinois  
32 residents ~~already~~ enrolled from minority racial and ethnic  
33 groups, or both (a) and (b).

1 In awarding grants to nursing schools and to hospital  
2 schools of nursing, the Board of Higher Education may also  
3 consider whether the nursing program is located in a  
4 certified nurse shortage area. For purposes of this Section  
5 "certified nurse shortage area" means an area certified by  
6 the Director of the Department of Public Health as a nurse  
7 shortage area based on the most reliable data available to  
8 the Director.

9 (Source: P.A. 86-1032; 87-1087.)

10 Section 15. The Illinois Consortium for Educational  
11 Opportunity Act is amended by changing Section 9 as follows:

12 (110 ILCS 930/9) (from Ch. 144, par. 2309)

13 Sec. 9. Terms of award. After a person has been  
14 accepted into the ICEOP, the individual shall be eligible for  
15 an annual ~~up-to-a-~~\$10,000 award annually which shall be  
16 renewable for up to an additional 3 years provided that he or  
17 she makes satisfactory progress toward completing his or her  
18 degree. The Consortium Board shall determine the award amount  
19 annually.

20 (Source: P.A. 84-785.)

21 Section 20. The Higher Education Student Assistance Act  
22 is amended by changing Sections 35, 113, and 145 as follows:

23 (110 ILCS 947/35)

24 Sec. 35. Monetary award program.

25 (a) The Commission shall, each year, receive and  
26 consider applications for grant assistance under this  
27 Section. Subject to a separate appropriation for such  
28 purposes, an applicant is eligible for a grant under this  
29 Section when the Commission finds that the applicant:

30 (1) is a resident of this State and a citizen or

1 permanent resident of the United States; and

2 (2) in the absence of grant assistance, will be  
3 deterred by financial considerations from completing an  
4 educational program at the qualified institution of his  
5 or her choice.

6 (b) The Commission shall award renewals only upon the  
7 student's application and upon the Commission's finding that  
8 the applicant:

9 (1) has remained a student in good standing;

10 (2) remains a resident of this State; and

11 (3) is in a financial situation that continues to  
12 warrant assistance.

13 (c) All grants shall be applicable only to tuition and  
14 necessary fee costs for 2 semesters or 3 quarters in an  
15 academic year. Requests for summer term assistance will be  
16 made separately and shall be considered on an individual  
17 basis according to Commission policy. Each student who is  
18 awarded a grant under this Section and is enrolled in summer  
19 school classes shall be eligible for a summer school grant.  
20 The summer school grant amount shall not exceed the lesser of  
21 50 percent of the maximum annual grant amount authorized by  
22 this Section or the actual cost of tuition and fees at the  
23 institution at which the student is enrolled at least  
24 part-time. For the regular academic year, the Commission  
25 shall determine the grant amount for each full-time and  
26 part-time student, which shall be the smallest of the  
27 following amounts:

28 (1) \$4,968 ~~\$4,740~~ for 2 semesters or 3 quarters of  
29 full-time undergraduate enrollment or \$2,484 ~~\$2,370~~ for 2  
30 semesters or 3 quarters of part-time undergraduate  
31 enrollment, or such lesser amount as the Commission finds  
32 to be available; or

33 (2) the amount which equals the 2 semesters or 3  
34 quarters tuition and other necessary fees required

1 generally by the institution of all full-time  
2 undergraduate students, or in the case of part-time  
3 students an amount of tuition and fees for 2 semesters or  
4 3 quarters which shall not exceed one-half the amount of  
5 tuition and necessary fees generally charged to full-time  
6 undergraduate students by the institution; or

7 (3) such amount as the Commission finds to be  
8 appropriate in view of the applicant's financial  
9 resources.

10 "Tuition and other necessary fees" as used in this Section  
11 include the customary charge for instruction and use of  
12 facilities in general, and the additional fixed fees charged  
13 for specified purposes, which are required generally of  
14 nongrant recipients for each academic period for which the  
15 grant applicant actually enrolls, but do not include fees  
16 payable only once or breakage fees and other contingent  
17 deposits which are refundable in whole or in part. The  
18 Commission may prescribe, by rule not inconsistent with this  
19 Section, detailed provisions concerning the computation of  
20 tuition and other necessary fees.

21 (d) No applicant, including those presently receiving  
22 scholarship assistance under this Act, is eligible for  
23 monetary award program consideration under this Act after  
24 receiving a baccalaureate degree or the equivalent of 10  
25 semesters or 15 quarters of award payments. The Commission  
26 shall determine when award payments for part-time enrollment  
27 or interim or summer terms shall be counted as a partial  
28 semester or quarter of payment.

29 (e) The Commission, in determining the number of grants  
30 to be offered, shall take into consideration past experience  
31 with the rate of grant funds unclaimed by recipients. The  
32 Commission shall notify applicants that grant assistance is  
33 contingent upon the availability of appropriated funds.

34 (f) The Commission may request appropriations for

1 deposit into the Monetary Award Program Reserve Fund. Monies  
2 deposited into the Monetary Award Program Reserve Fund may be  
3 expended exclusively for one purpose: to make Monetary Award  
4 Program grants to eligible students. Amounts on deposit in  
5 the Monetary Award Program Reserve Fund may not exceed 2% of  
6 the current annual State appropriation for the Monetary Award  
7 Program.

8 The purpose of the Monetary Award Program Reserve Fund is  
9 to enable the Commission each year to assure as many students  
10 as possible of their eligibility for a Monetary Award Program  
11 grant and to do so before commencement of the academic year.  
12 Moneys deposited in this Reserve Fund are intended to enhance  
13 the Commission's management of the Monetary Award Program,  
14 minimizing the necessity, magnitude, and frequency of  
15 adjusting award amounts and ensuring that the annual Monetary  
16 Award Program appropriation can be fully utilized.

17 (g) The Commission shall determine the eligibility of  
18 and make grants to applicants enrolled at qualified  
19 for-profit institutions in accordance with the criteria set  
20 forth in this Section. The eligibility of applicants  
21 enrolled at such for-profit institutions shall be limited as  
22 follows:

23 (1) Beginning with the academic year 1997, only to  
24 eligible first-time freshmen and first-time transfer  
25 students who have attained an associate degree.

26 (2) Beginning with the academic year 1998, only to  
27 eligible freshmen students, transfer students who have  
28 attained an associate degree, and students who receive a  
29 grant under paragraph (1) for the academic year 1997 and  
30 whose grants are being renewed for the academic year  
31 1998.

32 (3) Beginning with the academic year 1999, to all  
33 eligible students.

34 (Source: P.A. 90-122, eff. 7-17-97; 90-647, eff. 7-24-98;



1 90-769, eff. 8-14-98; 91-249, eff. 7-22-99; 91-250, eff.  
2 7-22-99; 91-357, eff. 7-29-99; 91-747, eff. 7-1-00.)

3 (110 ILCS 947/113)

4 Sec. 113. Federal Student Loan Fund; Student Loan  
5 Operating Fund; Federal Reserve Recall Fund. The Commission  
6 shall create the Federal Student Loan Fund, the Student Loan  
7 Operating Fund, and the Federal Reserve Recall Fund. At the  
8 request of the Commission's Executive Director, the  
9 Comptroller shall transfer funds, as necessary, from the  
10 Student Assistance Commission Student Loan Fund into the  
11 Federal Student Loan Fund, the Student Loan Operating Fund,  
12 and the Federal Reserve Recall Fund. On or before August 31,  
13 2000, the Commission's Executive Director shall request the  
14 Comptroller to transfer all funds from the Student Assistance  
15 Commission Student Loan Fund into any of the following funds:  
16 the Federal Student Loan Fund, the Student Loan Operating  
17 Fund, or the Federal Reserve Recall Fund. On September 1,  
18 2000, the Student Assistance Commission Student Loan Fund is  
19 abolished. Any future liabilities of this abolished fund  
20 shall be assignable to the appropriate fund created as one of  
21 its successors. At the request of the Commission's Executive  
22 Director, the Comptroller shall transfer funds from the  
23 Federal Student Loan Fund into the Student Loan Operating  
24 Fund.

25 (Source: P.A. 91-670, eff. 12-22-99.)

26 (110 ILCS 947/145)

27 Sec. 145. Issuance of Bonds.

28 (a) The Commission has power, and is authorized from  
29 time to time, to issue bonds (1) to make or acquire eligible  
30 loans, (2) to refund the bonds of the Commission, or (3) for  
31 a combination of such purposes. The Commission shall not have  
32 outstanding at any one time bonds in an aggregate principal

1 amount exceeding \$3,500,000,000 ~~\$2,100,000,000~~, excluding  
2 bonds issued to refund the bonds of the Commission.

3 The Commission is authorized to use the proceeds from the  
4 sale of bonds issued pursuant to this Act to fund the  
5 reserves created therefor, including a reserve for interest  
6 coming due on the bonds for one year following the issuance  
7 of the bonds, as provided in the resolution or resolutions  
8 authorizing the bonds and to pay the necessary expenses of  
9 issuing the bonds, including but not limited to, legal,  
10 printing, and consulting fees.

11 (b) The Commission has power, and is authorized from  
12 time to time, to issue refunding bonds (1) to refund unpaid  
13 matured bonds; (2) to refund unpaid matured coupons  
14 evidencing interest upon its unpaid matured bonds; and (3) to  
15 refund interest at the coupon rate upon its unpaid matured  
16 bonds that has accrued since the maturity of those bonds. The  
17 refunding bonds may be exchanged for the bonds to be refunded  
18 on a par for par basis of the bonds, interest coupons, and  
19 interest not represented by coupons, if any, or may be sold  
20 at not less than par or may be exchanged in part and sold in  
21 part; and the proceeds received at any such sale shall be  
22 used to pay the bonds, interest coupons, and interest not  
23 represented by coupons, if any. Bonds and interest coupons  
24 which have been received in exchange or paid shall be  
25 cancelled and the obligation for interest, not represented by  
26 coupons which have been discharged, shall be evidenced by a  
27 written acknowledgement of the exchange or payment thereof.

28 (c) The Commission has power, and is authorized from  
29 time to time, to also issue refunding bonds under this  
30 Section, to refund bonds at or prior to their maturity or  
31 which by their terms are subject to redemption before  
32 maturity, or both, in an amount necessary to refund (1) the  
33 principal amount of the bonds to be refunded, (2) the  
34 interest to accrue up to and including the maturity date or

1 dates thereof, and (3) the applicable redemption premiums, if  
2 any. Those refunding bonds may be exchanged for not less than  
3 an equal principal amount of bonds to be refunded or may be  
4 sold and the proceeds received at the sale thereof (excepting  
5 the accrued interest received) used to complete such  
6 refunding, including the payment of the costs of issuance  
7 thereof.

8 (d) The bonds shall be authorized by resolution of the  
9 Commission and may be issued in one or more series, may bear  
10 such date or dates, may be in such denomination or  
11 denominations, may mature at such time or times not exceeding  
12 40 years from the respective dates thereof, may mature in  
13 such amount or amounts, may bear interest at such rate or  
14 rates, may be in such form either coupon or registered as to  
15 principal only or as to both principal and interest, may  
16 carry such registration privileges (including the conversion  
17 of a fully registered bond to a coupon bond or bonds and the  
18 conversion of a coupon bond to a fully registered bond), may  
19 be executed in such manner, may be made payable in such  
20 medium of payment, at such place or places within or without  
21 the State, and may be subject to such terms of redemption  
22 prior to their expressed maturity, with or without premium,  
23 as the resolution or other resolutions may provide. Proceeds  
24 from the sale of the bonds may be invested as the resolution  
25 or resolutions and as the Commission from time to time may  
26 provide. All bonds issued under this Act shall be sold in  
27 the manner and at such price as the Commission may deem to be  
28 in the best interest of the public. The resolution may  
29 provide that the bonds be executed with one manual signature  
30 and that other signatures may be printed, lithographed or  
31 engraved thereon.

32 The Commission shall not be authorized to create and the  
33 bonds shall not in any event constitute State debt of the  
34 State of Illinois within the meaning of the Constitution or

1 statutes of the State of Illinois, and the same shall be so  
2 stated upon the face of each bond. The source of payment for  
3 the bonds shall be stated on the face of each bond.

4 The issuance of bonds under this Act is in all respects  
5 for the benefit of the People of the State of Illinois, and  
6 in consideration thereof the bonds issued pursuant to this  
7 Act and the income therefrom shall be free from all taxation  
8 by the State or its political subdivisions, except for  
9 estate, transfer, and inheritance taxes. For purposes of  
10 Section 250 of the Illinois Income Tax Act, the exemption of  
11 the income from bonds issued under this Act shall terminate  
12 after all of the bonds have been paid. The amount of such  
13 income that shall be added and then subtracted on the  
14 Illinois income tax return of a taxpayer, pursuant to Section  
15 203 of the Illinois Income Tax Act, from federal adjusted  
16 gross income or federal taxable income in computing Illinois  
17 base income shall be the interest net of any bond premium  
18 amortization.

19 (Source: P.A. 89-460, eff. 5-24-96; 90-281, eff. 7-31-97.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law, except that (i) in Section 20, the provisions  
22 changing Section 35 of the Higher Education Student  
23 Assistance Act take effect on July 1, 2001 and (ii) Sections  
24 5, 10, and 15 take effect on July 1, 2002.