

AGENDA ITEM 5

STATE LEGISLATIVE UPDATE

Submitted for: Information

Summary: This item provides updates on legislative items previously highlighted for the Commission that have now become Public Acts.

While there are no newly filed bills to highlight during this “off-season,” General Assembly committees have convened during the summer to discuss a number of issues. Of interest to ISAC, the House Committees on Higher Education and Appropriations—Higher Education held a subject-matter hearing regarding guardianship and financial aid. The hearings were called in response to reports that some parents may have transferred guardianship of their children for the sole purpose of obtaining additional need-based financial aid. Agency staff offered testimony, along with university representatives, a higher education non-profit representative, and an advocate for foster youth.

Lawmakers are scheduled to return to Springfield on October 28th for the fall Veto Session, during which the General Assembly has the opportunity to respond to gubernatorial actions. Thus far, no bills of particular interest to ISAC have been vetoed.

Action requested: None.

ILLINOIS STUDENT ASSISTANCE COMMISSION

STATE LEGISLATIVE UPDATE

While there are no newly filed bills or gubernatorial vetoes to highlight during this “off-season,” General Assembly committees have convened during the summer to discuss a number of issues. Of interest to ISAC, the House Committees on Higher Education and Appropriations—Higher Education held an August subject-matter hearing regarding guardianship and financial aid. The hearing was called in response to reports from *ProPublica* and the *Wall Street Journal* that some parents may have transferred legal guardianship of their children for the sole purpose of obtaining additional need-based financial aid for which they would not have qualified otherwise.

Agency staff offered testimony at the hearing, along with university representatives, a higher education non-profit representative, and an advocate for foster youth. In addition to providing information on the financial aid process and the state and federal rules regarding financial aid, ISAC staff emphasized the importance of proceeding with care in making any corrections to address potential misuse of the legal or financial aid systems. The rules and procedures around guardianship and financial aid are intended to protect some of the most vulnerable young people in the state and country. Changing those rules could inadvertently make things more difficult for students who have a legitimate need for guardianship. At the same time, agency staff emphasized, it is important that the issue be addressed so that limited Monetary Award Program (MAP) funds benefit the students for whom they are intended.

The committee chairs advised the audience that additional subject-matter hearings on this topic are expected.

Since the Commission’s last meeting, many of the bills that were included in prior updates have become law and have been assigned new Public Act numbers. Summaries of these new Public Acts are below.

NEW PUBLIC ACTS

HB 26 (Thapedi/Collins) – This bill creates the **Public University Uniform Admission Pilot Program** Act. A pilot program is to be established at Northern, Western, Eastern, and Southern Illinois Universities, to run from the 2020-2021 academic year until July 1, 2025. Under the program, these institutions will automatically admit Illinois students who meet the universities’ basic criteria (minimum test scores and preparatory curriculum) and either (1) graduate among their high schools’ top 10% or (2) are the children of fallen police, fire, or correctional officers. ISAC is directed to develop rules regarding outreach to high school students who are potentially eligible for automatic admissions. The program was inspired by Texas’s admissions policies and is intended primarily to ensure that the state’s public institutions reflect the racial diversity of the state, as well as to improve the geographic and economic diversity of the student body.

Status: Public Act 101-0448 (Passed Senate as amended 57-0-0, House concurred 117-0-0)

HB 2237 (Gabel/McGuire) – This Treasurer initiative directs his office to create an **Illinois Higher Education Savings Program** that would automatically establish a 529 savings account (similar to Bright Start) for each child born to or adopted by residents of Illinois after December 31, 2020. Subject to appropriation by the General Assembly, seed funds of \$50 per child would be deposited into a pooled omnibus account and invested. The Treasurer’s office may develop partnerships with other entities to provide matching funds and to provide education on financial literacy for participating families.

Status: Public Act 101-0466 (Passed House 66-42-1, Passed Senate 40-15-0)

HB 2691 (Hernandez/Aquino) – HB 2691 creates the **Retention of Illinois Students and Equity (RISE) Act**. Under the bill, a student who is an Illinois resident and who is not otherwise eligible for federal financial aid would be eligible for State financial aid and benefits including programs administered by ISAC and assistance provided by public institutions. The advocates and sponsors were focused specifically on providing access for noncitizen students who have not yet obtained lawful permanent residence and transgender students who are disqualified for failure to register for selective service. The bill would also prohibit any caps on MAP eligibility other than those required by statute, effectively eliminating an existing rule that bars a student from receiving MAP if she has used the program for more than 75 credit hours but has not yet attained junior standing. (The rule is intended to help students preserve MAP eligibility for their final years of a BA/BS program, when their costs are likely to be higher, their MAP grant is likely to be larger, and they may have reached their limits for federal student loans, limiting their ability to borrow affordably.) As other states have done, ISAC is developing a new application (scheduled to be available when the bill takes effect on January 1, 2020) that will provide a state alternative to the FAFSA for students who are not eligible for federal student aid. The bill’s sponsors committed to working with ISAC on a trailer bill during the fall Veto Session if additional legislation is needed to clarify intent, secure the privacy of those applying using the new alternative application, and help to ensure that students no longer subject to the 75-hour cap are making informed choices about how they use their limited MAP eligibility.

Status: Public Act 101-0021 (Passed House 66-47-0, Passed Senate 35-15-0)

HB 2719 (Stuart/Manar) – This initiative of the Governor makes it a requirement, beginning with the 2020-2021 school year, that a high school student **complete the FAFSA** or an alternative state financial aid application as a condition of graduation. The bill includes broad waiver provisions under which a parent, guardian, or the student (if 18 or emancipated) can opt out of filing for any reason, which will not need to be specified. Additionally, to accommodate students whose parents are not able to be engaged in this process—e.g., if the parent is mentally or physically ill, incarcerated, or deceased—the bill allows the school to waive the requirement after making a good faith effort to support the student in filing an application or an opt-out waiver. The Illinois State Board of Education will write rules for this new high school requirement, which is based on a Louisiana policy that has been credited with spurring substantial increases in FAFSA-filing in that state. Because of this initiative, ISAC anticipates additional demand for outreach and training services to support FAFSA completion, as well as additional demand for MAP.

Status: Public Act 101-0180 (Passed Senate as amended 39-13-1, House concurred 71-39-1)

SB 1167 (Ellman/Kifowit) – SB 1167 requires ISAC to establish and administer an **adult community college scholarship program** beginning with the 2020-2021 academic year, subject to appropriation. (The program is **not** funded in the FY20 budget.) Under the program, applicants could receive grants of up to \$2,000 per year to attend community college if they are over the age of 30, have been unemployed and actively searching for employment for at least six months, and identify the specific certificate, credential, or associate degree that they seek. If funding were insufficient to provide grants to all eligible applicants, ISAC could prioritize based on factors that include an applicant's financial need, duration of unemployment, prior level of educational attainment, or date of application.

Status: Public Act 101-0315 (Passed Senate 58-0-0, Passed House 109-7-0)

SB 1467 (Van Pelt/Stava-Murray) – This bill extends **eligibility for the MIA/POW Scholarship (administered by the Illinois Department of Veterans Affairs) and the Illinois Veteran Grant (IVG, administered by ISAC)** to otherwise-qualified Illinois residents who, at some point after leaving the service, resided in Illinois for at least 15 consecutive years. (Generally, under current law a recipient must have been an Illinois resident at the time of entering military service.) The potential fiscal impact of this change is not known. ISAC and IDVA staff are working together to develop a consistent approach for determining applicants' eligibility under the new act.

Status: Public Act 101-0334 (Passed Senate 57-0-0, Passed House 104-9-1)

SB 1524 (Lightford/Ammons) – This Treasurer initiative would create the **Illinois Student Loan Investment Act**, providing the Treasurer with broad authority to use up to 5% of the state's investment portfolio to finance various student loan-related products, including by originating loans, refinancing loans, and entering into or facilitating income share agreements with students.

Status: Public Act 101-0586 (Passed House as amended 72-44-1, Senate concurred 58-0-0)

SB 1641 (Peters/Smith) – Under SB 1641 as amended, ISAC would annually include **information about the Supplemental Nutrition Assistance Program (SNAP)** in the language that schools are required to provide to students eligible for the Monetary Award Program (MAP) grant. At a minimum, the language would direct students to information about college student eligibility criteria for SNAP and would refer students to the Department of Human Services and to the Illinois Hunger Coalition's Hunger Hotline for additional information. Illinois institutions of higher education that participate in MAP would be required to provide the notice to all students who are enrolled, or who are accepted for enrollment and intending to enroll, who have been identified by ISAC as MAP-eligible at the institution.

Status: Public Act 101-0560 (Passed House as amended 102-14-0, Senate concurred 53-0-0)