

STATE LEGISLATIVE UPDATE

Summary:

This report highlights actions taken by the Illinois General Assembly during the spring legislative session, including the budget for state fiscal year 2024, which runs July 1, 2023, through June 30, 2024.

With respect to ISAC, highlights from this session included:

- a \$100 million increase in funding for the Monetary Award Program (MAP), plus an increase in the maximum grant allowed per student;
- the extension of the AIM HIGH grant program for public universities, with small substantive changes and a \$15 million increase;
- substantial support for the agency's operations, including additional funding specifically to support outreach, research, and training initiatives;
- a \$10 million appropriation for ISAC to establish a new program that will provide undergraduate students with test preparation services for graduate and professional school entrance exams and professional licensing exams, and
- a new grant program for students in information technology fields that will require recipients to work in those fields in Illinois upon graduation or repay the amounts received.

The report also provides a summary of other legislation that has passed both houses of the General Assembly and, if signed, will not directly affect the agency but may affect college access and affordability more broadly.

Once the Governor receives a bill, he has 60 days in which to decide whether to sign or veto it or allow it to become law without his signature.

The General Assembly's fall session, at which any veto actions would be considered, is scheduled for October 24-26 and November 7-9.

ILLINOIS STUDENT ASSISTANCE COMMISSION STATE LEGISLATIVE UPDATE

The first spring session of the 103rd General Assembly came to a close in the early hours of Saturday, May 27th—missing the originally-scheduled date by just over a week, but still comfortably ahead of the traditional May 31st adjournment. Shortly after midnight, the House passed [Senate Bill \(SB\) 250](#) (now [Public Act 103-0006](#)) containing the fiscal year 2024 budget, and [House Bill \(HB\) 3817](#), the budget implementation bill or BIMP. Both bills had passed the Senate late Thursday. The votes essentially reflected the partisan split in both chambers (although three Senate Democrats voted “no,” citing as rationale their opposition to legislative pay increases and a desire to see additional funding devoted to pensions). The Governor’s team negotiated the final deal along with House and Senate Democrats, and he signed the budget bill in a ceremony on June 6th.

Highlights of the FY24 budget are described below, along with other legislative items of interest for the Commission that were approved by both the House and the Senate. Once the Governor receives a bill, he has 60 days in which to decide whether to sign or veto it or allow it to become law without his signature.

Bill statuses listed below are current as of this writing, and updated information and full bill text can be found at the Illinois General Assembly web site, www.ilga.gov. A total of 566 bills have passed both houses so far this session.

BUDGET

[SB 250](#) (Sims/Gordon-Booth – P.A. 103-0006) allocates state and federal funding for FY24 (7/1/23 – 6/30/24) and makes supplemental appropriations for the final weeks of FY23. According to the Office of the Governor, the General Funds budget for FY24 reflects projected revenues of \$50.611 billion and expenditures of \$50.428 billion, resulting in a small projected surplus of about \$183 million.

The ISAC budget includes funding at or above the levels that the Commission requested for scholarship and grant programs, agency operations, and outreach, research, and training. Spending authority is also at the levels requested by the Commission for dollars from the Student Loan Operating Fund, federal funds, and other state funds.

Budget highlights for ISAC include the following:

- **Funding will increase by \$100 million for FY24 Monetary Award Program (MAP) grants.** The program is appropriated \$701,566,200, the amount requested by Governor Pritzker. As in recent years, program dollars will come from both the General Revenue Fund and Education Assistance Fund, with 2% of the total appropriation available to be used for agency operations. Staff sought and achieved a change in the appropriation language that will allow this full 2% to be paid from GRF (it had been split between the two funds); the change will streamline administration and save ISAC additional funds because the agency is not required to fund all benefits for employees paid from GRF. The BIMP will also **increase the maximum MAP grant allowed by statute** from its current level of \$8,508 per student per year, allowing the Commission to award a grant of up to \$10,896 if funding allows.

- The budget also makes a supplemental appropriation of \$2 million to ISAC for MAP for FY23 to help cover higher-than-expected late claims. This was possible without exceeding the agency’s total FY23 program appropriation because of lapses in spending from other budget lines.
- The budget will also increase funding from \$35 million to \$50 million for the **AIM HIGH grant program**. Originally a pilot scheduled to end with FY23, the program is expected to be extended by HB 301 (Stuart/Halpin, see below for more details). The BIMP will also expand the pool of students eligible for AIM HIGH by raising the income cap from its current level (six times the poverty level) to eight times the poverty level.
- The **Minority Teachers of Illinois (MTI) scholarship program** will receive \$8 million, which is above both the FY23 level (\$4.2 million) and the Commission’s request (\$7 million). The Commission’s request had been based on recent levels of applications for the program; additional marketing and outreach both by ISAC and by partners may be needed to generate enough applicant interest to use funding at the new, higher level.
- The **Golden Apple Scholars** and **Golden Apple Accelerators** programs for teachers-in-training will receive significant boosts, also well beyond the level requested by the Commission. Scholars funding will grow from \$6,498,000 to \$10,750,000, and Accelerators funding will grow from \$750,000 to \$5 million. For the upcoming fiscal year, additional support for these programs is still available from federal funds initially appropriated as part of COVID relief, as well as a special license plate fee. These programs are part of ISAC’s budget but administered in partnership with the private Golden Apple Foundation.
- The **Illinois Teachers Loan Repayment Program** will receive the increase requested by the Commission (\$975,000 rather than the \$439,900 received in recent years). This is expected to allow the Commission to serve all eligible applicants, although the uncertainty surrounding federal relief initiatives has made demand for state-level repayment programs harder to predict.
- The budget also includes the Commission’s requested \$1.3 million for **Police, Fire, and Correctional Officer Dependents Grants**, a small increase meant to ensure that the program can keep up with tuition and fee increases.
- A grant to the **‘Ndigo Foundation to fund journalism internships** was renewed and increased from \$500,000 for FY23 to \$550,000 for FY24.
- Two new funding lines were added:
 - \$2 million was appropriated for the new **iGROW Tech Scholarship program**, which will be created under HB 1378 (see below).
 - \$10 million was appropriated for a new **“Prepare for Illinois’ Future”** Program, which the BIMP establishes as a new ISAC mandate with a goal of providing Illinois college students access to free preparation for graduate and professional school entrance exams and professional licensing exams. The agency will solicit bids from vendors to provide this service.
- As requested by the Commission, the **Agency Operations** line and the line for **Outreach, Research, and Training** are each funded at \$7 million, up from \$6 million each in FY23.

- The BIMP also includes language describing the allowable uses for funds from the Governor’s new Smart Start initiative for early childhood care and education. Among them, the Illinois Department of Human Services may use funds to support **Early Childhood Access Consortium for Equity Scholarships**, which ISAC administers. Federal funding is still available for this year for the scholarships, but this statutory change establishes that DHS may work with ISAC to continue the scholarship program in the future.

Other programs are funded at their FY23 levels, with one exception: The nonexistent Teacher Reimbursement Grant Program received an appropriation of \$2 million for FY23, although a bill to establish such a program, which the agency considered poorly constructed, had never passed. Neither the Commission nor the Governor asked for this line to be funded again in FY24, and it was not.

With respect to higher education institutions, the fiscal year 2024 budget provides an additional \$100 million in funding for public universities and community colleges. The state is also making additional investments in higher education that include dual credit, community college pathways to health careers, and supporting students who lack stable access to housing.

While the budget does not reimburse *universities* for amounts that they waive for the Illinois Veteran Grant (IVG) or Illinois National Guard Grant (ING), about \$4.2 million is once again appropriated to the Illinois Community College Board (ICCB) to reimburse community colleges for IVG and ING costs.

ISAC INITIATIVES

Two ISAC initiatives were introduced, one of which was successful:

- Once signed, [HB 3498](#) (Chung/Koehler – Passed Both Houses) will allow the agency to **prorate the amount owed by a teacher** who begins to fulfill his or her teaching obligations later than initially required under the terms of the Minority Teachers of Illinois, Golden Apple Scholars, or Special Education Teacher Tuition Waiver program. The change is likely to affect only a small number of teachers, but to each individual, the relief could be substantial. The bill will create an incentive for recipients who have already entered repayment to complete at least a portion of their original teaching obligation, benefitting schools with significant minority or bilingual populations, low-income schools, and special education classrooms.
- [SB 2426](#) (Villivalam/Avelar – Passed the Senate but was not called for a vote in the House) was an **ISAC initiative to expand the exoneree grant** to allow an eligible applicant to pass along any unused benefits to a dependent. The bill passed the Senate 45-6, but a House member who had introduced an even broader expansion of eligibility (HB 1079 – Flowers) objected to this less ambitious plan, although SB 2426 had public support from organizations such as After Innocence, the Safer Foundation, and other credible advocates. Ultimately, neither proposal succeeded this spring. Agency staff will continue conversations on how to make the existing program a more useful benefit for those who are eligible.

NEW AND NEW-TO-ISAC PROGRAMS

In addition to the “**Prepare for Illinois’ Future**” test preparation program described in the Budget section above, the agency will be asked to administer additional programs if the following bills are enacted:

- **HB 1378** (Cervantes/Yang Rohr – Passed Both Houses) is a Chicagoland Chamber of Commerce initiative to create a new, ISAC-administered “groan” program—a grant that may be converted into a loan—beginning with the 2024-2025 academic year. The bill would create the **iGROW Tech Scholarship** for students in information technology majors, which recipients would have to repay with interest if they fail to fulfill a commitment to work in a related career field after graduation. The bill requires ISAC to establish a methodology for prioritizing applications from people who demonstrate a financial need or hardship, from minority students, and from applicants demonstrating academic excellence. Scholarships could be awarded through the 2029-30 academic year. The program is expected to require considerable development effort, so it’s noteworthy that the statute allows up to 5% of funding to be used for operations. Although the program does not begin until the 2024-2025 academic year, the budget did appropriate \$2 million for the program for the FY24 budget year.
- **SB 1508** (Hunter/L. Hernandez – Passed Both Houses) would create two **scratch-off lotto tickets** to support scholarships: ISAC would be the pass-through for funds that United Negro College Fund (UNCF) Illinois would use to give scholarships to Illinois students, who could use them at Illinois institutions or out-of-state schools that work with UNCF (which includes a number of schools classified as Historically Black Colleges and Universities). Scratch-off proceeds would also go to the Dream Fund Commission, which administers privately-funded scholarships for undocumented Illinois students.

OTHER BILLS AFFECTING ISAC AND ISAC PROGRAMS

- **HB 301** (Stuart/Halpin – Passed Both Houses) makes the merit-based, means-tested **AIM HIGH program permanent**, with the following changes. (These are in addition to the expansion of the program under the BIMP, which would extend eligibility to families making up to eight times the federal poverty level.)
 - Universities must use the words “AIM HIGH” in the names of any campus programs supported by AIM HIGH funds.
 - Universities may award AIM HIGH grants to part-time students who are completing their final semester/quarter.
 - Universities will be required to match state funding at a higher rate than under current law, beginning with funds appropriated for FY24. A public university in which an average of at least 49% of the students seeking a bachelor's degree or certificate received a Pell Grant over the prior 3 academic years will be required to match 35% (instead of 20%) of the amount of funds awarded in a given academic year with non-loan financial aid for eligible students; universities where fewer than 49% of students are Pell recipients must match 70% (instead of 60%) of state funds awarded.

- Universities must maintain their level of non-loan financial aid spending from AY17-18 (FY18) *or* AY21-22 (FY22), whichever is lower. (Under current law, the baseline maintenance of effort is set at FY18.)
- The Commission will not be required to issue a separate annual report on the program after 2024, although data collection will continue, and reporting will occur through the agency’s data book.
- [HB 2380](#) (Fine/LaPointe – Sent to the Governor) would **expand the Human Services Professional Loan Repayment Program**, which was established in law last year. The bill would include employees of any “community-based human services agency” “that is contracted with, receives funding from, or is grant-funded by” one of the state human services agencies specified in the law. The bill would also remove a provision that limits an applicant to a maximum of four years of grant assistance, and it allows the agency to prioritize applications based on financial need. The bill has a July 1, 2023, effective date, but funding for the program was not included in the FY24 budget.
- [HB 2898](#) (West/Villanueva – Passed Both Houses) is an initiative of the Partnership for College Completion. Under the bill, if a for-profit institution is found by the federal government to have used fraudulent or deceptive practices, and the school is required to pay loan refunds to students who attended, then the college would also be **required to pay back the state for any MAP grants** they received during the years when they were found to have deceived students. Any collected funds would go towards additional ISAC-administered grants to students. The changes in the bill will only have an effect in the case of future findings of fraud or deception; institutions will not be required to repay funds related to findings that occurred before the bill takes effect.
- [SB 57](#) (Fine/LaPointe – Sent to the Governor) would expand the **Community Behavioral Health Care Professional Loan Repayment Program** beginning July 1, 2024. Changes include higher maximum grant sizes; additional categories of eligible recipients including certified drug and alcohol counselors and people with degrees in counseling, psychology, social work, or marriage and family therapy; additional treatment settings including state psychiatric hospitals, and a set-aside of 30% of program funding for applicants belonging to underrepresented groups.
- [SB 195](#) (Villanueva/Gong-Gershowitz – Passed Both Houses) contains two sections. The first allows judges to **deny a petition for guardianship change** if it’s being sought so that the child will be considered an independent student and thereby qualify for more financial aid. The second component makes changes and updates to the **Educational Planning Services Consumer Protection Act, or Segura Act**, which was an ISAC initiative. Among other changes, the bill revises the disclaimer that planning services providers must give to prospective customers, stating that *general* educational planning services *may* be available for free (rather than that the services offered by the provider *are* available elsewhere for free). Some educational planning services providers also expressed confusion over whether the law required them to get specific authorization to operate in the state (e.g., to obtain a license), which was not the law’s intent. SB 195 removes language that contributed to this misunderstanding.
- [House Resolution \(HR\) 62](#) urges the Illinois State Board of Education (ISBE) to support the state goal of increasing the number and diversity of Illinois' educator workforce by collaborating with the Illinois Board of Higher Education (IBHE), ICCB, and ISAC to develop and launch a state-wide teacher recruitment system, possibly with the support from

an outside vendor, that will be available to the public by July 1, 2024, and will support interested candidates statewide to apply to, enroll in, and complete Illinois' Teacher Preparation Programs and succeed in their eventual job placement.

OTHER POLICY CHANGES OF INTEREST

The remaining bills in this report make no direct changes to ISAC programs or operations, but they may affect college access and affordability and/or financial aid processing.

- [HB 2503](#) (Stuart/Halpin – Passed Both Houses) codifies an existing agreement among the state's **community colleges** that governs tuition and fee rates and related policies when a resident of one community college district wants to enroll in a program that is not offered in their district of residence but is offered in another district.
- [HB 2528](#) (Ammons/Faraci – Passed Both Houses) requires the Illinois Board of Higher Education to administer a **Hunger-Free Campus grant program** for public institutions of higher education. To be designated a hunger-free campus, an institution would be required to establish a hunger task force, designate a staff member to assist student enrollment in the Supplemental Nutrition Assistance Program (SNAP), provide options for using SNAP benefits on campus or in surrounding areas, participate in awareness events, provide a physical food pantry or access to a local food pantry near campus, create a student meal credit donation or free meal voucher program, and conduct an annual student survey on hunger.
- [HB 3233](#) (L. Hernandez/Villa – Passed Both Houses) directs the **Illinois DREAM Fund Commission** to develop a marketing plan on the purpose and benefits of donating to the Fund, and it allows transmitters of money to create a voluntary surcharge through which people engaging in international remittances can contribute to the DREAM Fund when making a transaction. The Fund provides scholarships for undocumented Illinois students.
- [HB 3522](#) (Yang-Rohr/Villivalam – Passed Both Houses) would allow institutions of higher education to grant credit at the postsecondary level to a high school graduate who has earned an **Illinois Global Scholar Certification** (a signifier of “global competence,” overseen by the State Board of Education), beginning with the 2024-25 academic year. The bill also allows nonpublic Illinois high schools to participate in the Global Scholars program, which was developed by social studies teachers.
- [HB 3648](#) (Ammons/Pacione-Zayas – Passed Both Houses) creates the **Higher Education in Prison Act** and requires institutions that offer higher education programs in prisons to report enrollment and completion data to IBHE and ICCB, disaggregated by variables including but not limited to race, ethnicity, gender, age, and type of degree or certificate.
- [HB 3759](#) (Stuart/Halpin – Passed Both Houses) is an initiative of the Higher Education Working Group intended to **give Illinois public colleges and universities an advantage in recruiting Illinois students**. The bill requires that student profile information from a certain statewide assessment of high school students (currently the SAT) be made available to the state's public institutions of higher education, and it allows recruiters from Illinois public institutions of higher education access to high school campuses on the same terms currently available to military recruiters. The bill also requires that the State Board of Education, by January 1, 2024, make student directory information electronically accessible for official recruiting representatives of the armed forces of Illinois and the United States, and for State public institutions of higher education.

- [HB 3760](#) (Stuart/Faraci – Passed Both Houses) is an initiative of the public universities that would create a four-year **uniform admission pilot program for community college transfer students**, beginning with the 2024-2025 academic year. At a minimum, public universities would be required to guarantee admission to applicants who are enrolled at a community college after graduating from an Illinois high school, have completed 36 transferable semester hours, have a minimum GPA of 3.0, and meet the institution's English language proficiency requirements. Institutions may implement a more lenient policy.
- [SB 49](#) (Fine/Morgan – Sent to the Governor) would require higher education institutions to provide a **transcript to a student or former student**, even if the person owes a debt to the institution, if they're seeking the transcript for a job application, college transfer, applying for financial aid, joining the military, or pursuing other postsecondary opportunities (under current law, only for seeking employment). Beginning with the 2023-2024 academic year, the bill would require each institution to have a written policy “that outlines the process by which a current or former student may obtain a transcript or diploma that has been withheld from the student because the student owes a debt.” It also includes requirements for posting and distributing the policy, as well as requirements to report information related to financial holds annually to IBHE or ICCB, as appropriate, beginning July 2024.
- [SB 99](#) (Fine/G. Johnson – Sent to Governor) would create the **Removing Barriers to Higher Education Success Act**. The Act would establish documentation that should be considered sufficient evidence that the student has a disability and a right to accommodation at an Illinois public institution of higher learning. It also sets standards for policy transparency and dissemination.
- [SB 1787](#) (Koehler/Elik – Passed Both Houses) creates a **Rural Advisory Council** to present to the State Superintendent of Education the opportunity (through December 31, 2031) to speak directly with representatives of rural communities on various policy and legal issues, to present feedback on critical issues facing rural communities, to generate ideas, and to communicate information to the State Superintendent on pre-K - 12 education.
- [SB 2288](#) (Castro/Costa Howard – Passed Both Houses) would expand upon the existing **Illinois Articulation Initiative** by requiring public colleges and universities to accept all major courses approved for transfer through IAI as equivalent major courses, insofar as a specific major is offered at the receiving institution. (Today, institutions may decide whether to count a course towards a major or as an elective, often requiring students to repeat coursework to count towards their major.) It clarifies that institutions must maintain up to four IAI courses in each IAI major (rather than in one IAI major). The bill also creates a major panel for education, which will review courses for statewide transfer consistency.