ISAC
Illinois Student Assistance Commission



Workforce Development Through Charitable Loan Repayment Program

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July 15, 2026

PROGRAM PURPOSE

The program is authorized under the **Workforce Development through Charitable Loan Repayment Act (110 ILCS 998).** Goals include:

- Reducing the student loan debt burden for eligible workers
- Incentivizing employment in key industries across the State of Illinois
- Supporting local workforce development and retention
- Providing community foundations with a tool to support household and community economic impact

Workforce Development Through Charitable Loan Repayment Program
HOW THE PROGRAM WORKS

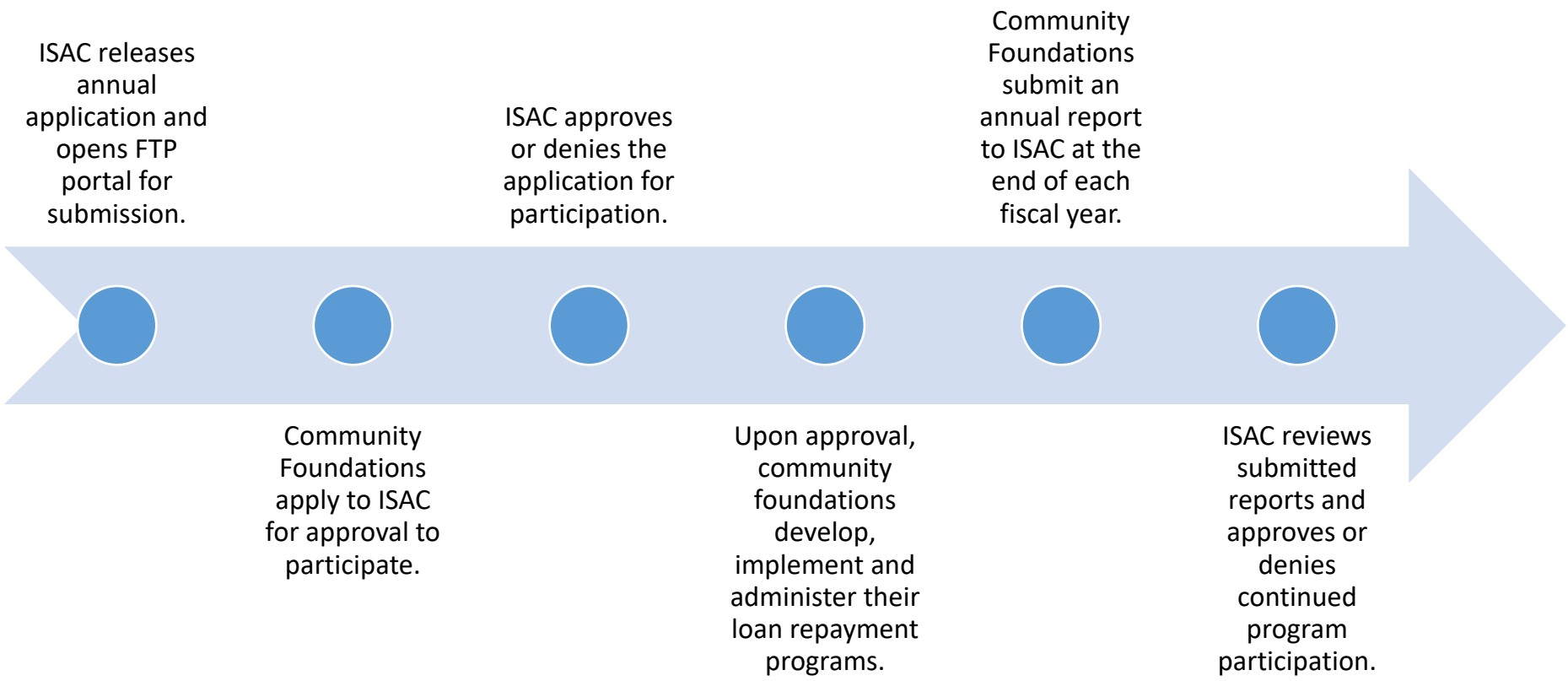
ISAC'S ROLE – Determine the Qualified Community Foundations!	COMMUNITY FOUNDATION'S ROLE – Determine the Qualified Workers!
1. Draft and adopt administrative rules for the Workforce Development Through Charitable Loan Repayment Program (the "Program").*	1. Design the foundation's loan repayment program based on required elements outlined in statute. Additional criteria may be included if they do not conflict with statute.
2. Develop the applications, resources, and processes necessary for community foundations to participate in the Program as a **QUALIFIED COMMUNITY FOUNDATION**.	2. Develop and manage the application, certification and awarding processes for all student loan borrowers seeking student loan repayment assistance to determine if the applicant is a **QUALIFIED WORKER** eligible for an award.
3. Review applications and approve or deny community foundation participation in the Program.	3. Disburse funds directly to the student loan servicers on behalf of qualified worker awardees.
4. Review annual reports and approve or deny continued participation in the Program.	4. Ensure compliance and complete all annual reporting requirements.

* *The Illinois Department of Revenue, not ISAC, determines which documents are required to allow a worker to deduct student loan repayment assistance from their taxable income. This detail will not be included in ISAC administrative rules.*

Workforce Development Through Charitable Loan Repayment Program

HOW THE PROGRAM WORKS

ANNUAL PROGRAM PROCESS



Workforce Development Through Charitable Loan Repayment Program

UNDERSTANDING ELIGIBILITY

The **Workforce Development through Charitable Loan Repayment Act** outlines eligibility requirements for (1) community foundations to participate in the Program and administer their own loan repayment programs and (2) qualified workers to participate the foundation's program and receive funds for their educational debts.

What is as eligibility requirement?	What are the eligibility requirements for COMMUNITY FOUNDATIONS?	What are the eligibility requirements for WORKERS?
An eligibility requirement is a specific qualification that an individual or entity must meet to be considered for a benefit or program.	**QUALIFIED COMMUNITY FOUNDATIONS** are eligible to participate in the Program. A qualified community foundation means a community foundation or similar publicly supported organization described in Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986 that (i) is **organized or operating in this State**, (ii) **substantially complies with the national standards** for United States community foundations **established by the Community Foundations National Standards** or a successor entity, and (iii) is **approved by the Commission** for participation in the Program.	**QUALIFIED WORKERS** are eligible to participate in a community foundation's loan repayment program. A qualified worker must meet all the statutory requirements for participation: • Full-time employee for an eligible employer • Works in an eligible location • Have accrued educational debt while pursuing an associate degree or higher **OR** a skilled trades program or related course of study* **AND** have an outstanding balance on a qualifying educational loan or other educational debt incurred for the skilled trades degree, credential, or program.

* *ISAC has interpreted statute as requiring a degree or credential from the educational program.*

Workforce Development Through Charitable Loan Repayment Program
ELIGIBILITY REQUIREMENTS FOR COMMUNITY FOUNDATIONS

To determine if a community foundation meets the definition of a QUALIFIED COMMUNITY FOUNDATION for the Program, ISAC will collect and review the following information:

1. **Required: Community Foundation Program Application**
   - Information on the foundation, its leadership and board, and program eligibility, including certifications demonstrating the foundation's compliance with Community Foundations National Standards.
2. **Required: Supporting Documents**
   - Item 1: Copy of foundation's 501(c)(3) IRS letter demonstrating that the foundation meets the qualifications under Section 170(b)(1)(A)(vi) of the Internal Revenue Code
   - Item 2: Copy of Community Foundations National Standards accreditation seal or copy of submitted application, if available (*Application contains certification statement in lieu*)
   - Item 3: List of all the names and addresses of all members of the governing board of the community foundation
   - Item 4: Copy of the foundation's most recent financial audit of accounts and records
   - NOTE: Documentation confirming the foundation's eligibility to participate in tax incentive programs administered by other Illinois state agencies may be submitted in place of items 1-4 above.

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3. **OPTIONAL: Supplementary Application Questions -** While not required for approval, prospective community foundation partners are encouraged to complete these additional questions provided at the end of the application to support future reporting. Questions include:
   - **Program Overview:** Please provide an overview of the community foundation's proposed loan repayment program.
   - **Application Process**: Please provide an overview of the application process for the loan repayment program.
   - **Awarding and Disbursement Process:** Please provide an overview of the award determination and disbursement process.

Workforce Development Through Charitable Loan Repayment Program
ELIGIBILITY REQUIREMENTS FOR STUDENT LOAN BORROWERS

To determine if a student loan borrower meets the definition of a QUALIFIED WORKER for a loan repayment program, the community foundation will collect, review and confirm the following applicant information:

ELIGIBLE EMPLOYER

An individual must be a full-time employee of a business that meets *one or more of the following*:

1. The business is a qualified new business venture that is registered with the Department of Commerce and Economic Opportunity (DCEO) under Section 220 of the Illinois Income Tax Act;
2. The business is primarily engaged in a targeted growth industry, named in the Act as the following:
   - advanced manufacturing;
   - agribusiness and food processing;
   - transportation distribution and logistics;
   - life sciences and biotechnology;
   - business and professional services; or
   - energy.
3. The business is a minority-owned business, a women-owned business, or a business owned by a person with a disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act; or
4. The business is a not-for-profit corporation, as defined in the General Not for Profit Corporation Act of 1986.

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ELIGIBLE LOCATION

The individual is employed by the eligible business located in *one of the following*:

1. An Enterprise Zone (DCEO Enterprise Zone);
2. An Opportunity Zone (DCEO Opportunity Zone);
3. An underserved area, defined as an area that *meets one of the following four qualifications*:
    - Poverty rate of at least 20% according to the latest American Community Survey;
    - At least 35% or more of the families with children in the area are living below 130% of the poverty line according to the latest American Community Survey;
    - At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP);
    - The area's average unemployment rate as determined by the Illinois Department of Employment Security is more than 120% of the national unemployment average as determined by the U.S. Department of Labor for a period of at least 2 consecutive calendar years preceding the date of the application.
4. An area that has a bachelor's degree attainment rate for the population that is below the State or national average for the population, as determined by the United States Census Bureau.

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ELIGIBLE EDUCATION AND DEBT

The individual must:

1. Have accrued educational debt pursuing their associate degree or higher **OR** while pursuing skilled trades or related schooling * **AND**

2. Have an outstanding balance due on a qualified education loan **OR** outstanding educational debt incurred for the skilled trades degree, credential, or program

* *ISAC has interpreted statute as requiring a degree or credential from the educational program.*

Workforce Development Through Charitable Loan Repayment Program

APPLICATION RESOURCES

ISAC launched the inaugural application **June 1, 2026** and applications will be accepted on a rolling basis. ISAC will begin to review any received applications in mid-to-late July 2026 for the first round of consideration. ISAC made available the following on June 1:

1. Community Foundation Program Application (PDF)

2. "ISAC Loan Repayment Programs Best Practices Toolkit" (PDF) – to assist community foundations in the planning of their loan repayment programs

3. ISAC secure File Transfer Protocol (FTP) portal – to upload application and supporting materials.

INFORMATION AND RESOURCES ARE AVAILABLE AT:
Workforce Development Through Charitable Loan Repayment Program

ISAC's Partner Services Department

Provides program information, policy guidance, training and support to ISAC higher education and community partners

Phone: 866-247-2172
8:00AM-4:30PM (Central Time)
E-mail: isac.communitypartnerservices@illinois.gov

For more information on the **Workforce Development Through Charitable Loan Repayment Program,** or for any assistance you may need, please contact the Partner Services team!