



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB2504

Introduced 2/20/2009, by Rep. Eddie Washington

#### SYNOPSIS AS INTRODUCED:

110 ILCS 805/3-42.4 new

Amends the Public Community College Act. Allows a board of trustees of a community college district to enter into an agreement with an employer concerning an arrangement to provide new jobs training program services, including (1) new jobs training; (2) adult basic education and job-related instruction; (3) vocational and skill-assessment services and testing; (4) training facilities, equipment, materials, and supplies; and (5) on-the-job training. Requires the agreement to provide for program costs that may be paid from property taxes, tuition, student fees, or special charges. Allows the board to borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement to provide funds for the present payment of the costs of a new jobs training program. Provides that the board shall, by resolution, provide for the assessment of an annual levy of a standby tax upon all taxable property within the community college district to further secure the payment of the certificates.

LRB096 08985 NHT 19124 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning education.

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

4 Section 5. The Public Community College Act is amended by  
5 adding Section 3-42.4 as follows:

6 (110 ILCS 805/3-42.4 new)

7 Sec. 3-42.4. New jobs training.

8 (a) In this Section:

9 "Agreement" means the agreement between an employer and a  
10 board concerning a project.

11 "Certificate" means new jobs training program certificates  
12 issued pursuant to this Section.

13 "Date of commencement of the project" means the date of the  
14 agreement.

15 "Employee" means the person employed in a new job.

16 "Employer" means the person providing new jobs within the  
17 boundaries of the community college district and entering into  
18 an agreement.

19 "Industry" means a business engaged in interstate or  
20 intrastate commerce for the purpose of manufacturing,  
21 processing, or assembling products, conducting research and  
22 development, or providing services in interstate commerce, but  
23 excludes retail, health, or professional services. "Industry"

1 does not include a business that closes or substantially  
2 reduces its operation in one area of this State and relocates  
3 substantially the same operation in another area of this State.  
4 This definition does not prohibit a business from expanding its  
5 operations in another area of this State, provided that  
6 existing operations of a similar nature are not closed or  
7 substantially reduced.

8 "New job" means a job in a new or expanding industry, but  
9 does not include jobs of recalled workers or replacement jobs  
10 or other jobs that formerly existed in the industry in this  
11 State.

12 "New jobs training program" or "program" means the project  
13 or projects established by a community college district for the  
14 creation of jobs by providing education and training of workers  
15 for new jobs for new or expanding industry within the  
16 boundaries of the community college district.

17 "Program costs" means all necessary and incidental costs of  
18 providing program services.

19 "Program services" includes without limitation the  
20 following:

21 (1) New jobs training.

22 (2) Adult basic education and job-related instruction.

23 (3) Vocational and skill-assessment services and  
24 testing.

25 (4) Training facilities, equipment, materials, and  
26 supplies.

1           (5) On-the-job training.

2           (6) Administrative expenses for the new jobs training  
3           program.

4           (7) Subcontracted services with public or private  
5           colleges or universities or other federal, State, or local  
6           agencies.

7           (8) Contracted or professional services.

8           (9) The issuance of certificates.

9           "Project" means a training arrangement that is the subject  
10          of an agreement entered into between the board and an employer  
11          to provide program services.

12          (b) A board may enter into an agreement to establish a  
13          project. If an agreement is entered into, the board and the  
14          employer shall notify the State Board as soon as possible. An  
15          agreement shall provide for program costs, including deferred  
16          costs, that may be paid from one or a combination of the  
17          following sources:

18               (1) Property taxes to be received or derived from an  
19               employer's business property where new jobs are created as  
20               a result of the project.

21               (2) Tuition, student fees, or special charges fixed by  
22               the board to defray program costs in whole or in part.

23               (3) Guarantee of payments to be received under item (1)  
24               or (2) of this subsection (b).

25          (c) Payment of program costs must not be deferred for a  
26          period longer than 10 years from the date of commencement of

1 the project.

2 (d) Costs of on-the-job training for employees must not  
3 exceed 50% of the annual gross payroll costs for up to one year  
4 of the new jobs. For purposes of this subsection (d), "gross  
5 payroll" means the gross wages, salaries, and benefits for the  
6 jobs-in-training in the project.

7 (e) An agreement shall include a provision that fixes the  
8 minimum amount of property taxes or tuition and fee payments  
9 that shall be paid for program costs.

10 (f) To provide funds for the present payment of the costs  
11 of a new jobs training program, the board may borrow money and  
12 issue and sell certificates payable from a sufficient portion  
13 of the future receipts of payments authorized by the agreement.  
14 The receipts shall be pledged to the payment of principal of  
15 and interest on the certificates.

16 (g) Certificates may be sold at public sale or at private  
17 sale at par, premium, or discount at the discretion of the  
18 board.

19 (h) Certificates may be issued with respect to a single  
20 project or multiple projects and may contain terms or  
21 conditions as the board may provide by resolution authorizing  
22 the issuance of the certificates.

23 (i) Certificates issued to refund other certificates may be  
24 sold at public sale or at private sale as provided in this  
25 Section, with the proceeds from the sale to be used for the  
26 payment of the certificates being refunded. The refunding

1 certificates may be exchanged in payment and discharge of the  
2 certificates being refunded, in installments at different  
3 times or an entire issue or series at one time. Refunding  
4 certificates may be sold or exchanged at any time on, before,  
5 or after the maturity of the outstanding certificates to be  
6 refunded, may be issued for the purpose of refunding a like,  
7 greater, or lesser principal amount of certificates, and may  
8 bear a higher, lower, or equivalent rate of interest than the  
9 certificates being renewed or refunded.

10 (j) To further secure the payment of the certificates, the  
11 board shall, by resolution, provide for the assessment of an  
12 annual levy of a standby tax upon all taxable property within  
13 the community college district. A copy of the resolution shall  
14 be sent to the county clerk of each county in which the  
15 community college district is located. The revenues from the  
16 standby tax shall be deposited into a special fund and shall be  
17 expended only for the payment of principal of and interest on  
18 the certificates issued as provided in this Section, when the  
19 receipt of payment for program costs as provided in the  
20 agreement is insufficient. If payments are necessary and made  
21 from the special fund, the amount of the payments shall be  
22 promptly repaid into the special fund from the first available  
23 payments received for program costs as provided in the  
24 agreement that are not required for the payment of principal of  
25 or interest on certificates due. No reserves may be built up in  
26 this fund in anticipation of a projected default. The board

1 shall adjust the annual standby tax levy for each year to  
2 reflect the amount of revenues in the special fund and the  
3 amount of principal and interest that is due in that year.

4 (k) Before certificates are issued, the board shall publish  
5 once a notice of its intention to issue the certificates,  
6 stating the amount, the purpose, and the project or projects  
7 for which the certificates are to be issued. A person may,  
8 within 15 days after the publication of the notice, by action  
9 in the circuit court of the county in the area within which the  
10 community college district is located, appeal the decision of  
11 the board in proposing to issue the certificates. The action of  
12 the board in determining to issue the certificates is final and  
13 conclusive unless the circuit court finds that the board has  
14 exceeded its legal authority. An action shall not be brought  
15 that questions the legality of the certificates, the power of  
16 the board to issue the certificates, the effectiveness of any  
17 proceedings relating to the authorization of the project, or  
18 the authorization and issuance of the certificates from and  
19 after 15 days from the publication of the notice of intention  
20 to issue.

21 (l) The board shall determine if revenues are sufficient to  
22 secure the faithful performance of obligations in the  
23 agreement.