



Rep. Maura Hirschauer

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10300HB4720ham001

LRB103 37881 SPS 71697 a

1 AMENDMENT TO HOUSE BILL 4720

2 AMENDMENT NO. _____. Amend House Bill 4720 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Treasurer Act is amended by changing
5 Section 16.8 as follows:

6 (15 ILCS 505/16.8)

7 Sec. 16.8. Illinois Higher Education Savings Program.

8 (a) Definitions. As used in this Section:

9 "Beneficiary" means an eligible child named as a recipient
10 of seed funds.

11 "Eligible child" means a child born or adopted after
12 December 31, 2022, to a parent who is a resident of Illinois at
13 the time of the birth or adoption, as evidenced by
14 documentation received by the Treasurer from the Department of
15 Revenue, the Department of Public Health, or another State or
16 local government agency.

1 "Eligible educational institution" means institutions that
2 are described in Section 1001 of the federal Higher Education
3 Act of 1965 that are eligible to participate in Department of
4 Education student aid programs.

5 "Fund" means the Illinois Higher Education Savings Program
6 Fund.

7 "Omnibus account" means the pooled collection of seed
8 funds owned and managed by the State Treasurer in the College
9 Savings Pool under this Act.

10 "Program" means the Illinois Higher Education Savings
11 Program.

12 "Qualified higher education expense" means the following:
13 (i) tuition, fees, and the costs of books, supplies, and
14 equipment required for enrollment or attendance at an eligible
15 educational institution; (ii) expenses for special needs
16 services, in the case of a special needs beneficiary, which
17 are incurred in connection with such enrollment or attendance;
18 (iii) certain expenses for the purchase of computer or
19 peripheral equipment, computer software, or Internet access
20 and related services as defined under Section 529 of the
21 Internal Revenue Code; (iv) room and board expenses incurred
22 while attending an eligible educational institution at least
23 half-time; (v) expenses for fees, books, supplies, and
24 equipment required for the participation of a designated
25 beneficiary in an apprenticeship program registered and
26 certified with the Secretary of Labor under the National

1 Apprenticeship Act (29 U.S.C. 50); and (vi) amounts paid as
2 principal or interest on any qualified education loan of the
3 designated beneficiary or a sibling of the designated
4 beneficiary, as allowed under Section 529 of the Internal
5 Revenue Code.

6 "Seed funds" means the deposit made by the State Treasurer
7 into the Omnibus Accounts for Program beneficiaries.

8 (b) Program established. The State Treasurer shall
9 establish the Illinois Higher Education Savings Program as a
10 part of the College Savings Pool under Section 16.5 of this
11 Act, subject to appropriation by the General Assembly. The
12 State Treasurer shall administer the Program for the purposes
13 of expanding access to higher education through savings.

14 (c) Program enrollment. The State Treasurer shall enroll
15 all eligible children in the Program beginning in 2023, after
16 receiving records of recent births, adoptions, or dependents
17 from the Department of Revenue, the Department of Public
18 Health, or another State or local government agency designated
19 by the Treasurer. Notwithstanding any court order which would
20 otherwise prevent the release of information, the Department
21 of Public Health is authorized to release the information
22 specified under this subsection (c) to the State Treasurer for
23 the purposes of the Program established under this Section.

24 (1) Beginning in 2021, the Department of Public Health
25 shall provide the State Treasurer with information on
26 recent Illinois births and adoptions including, but not

1 limited to: the full name, residential address, birth
2 date, and birth record number of the child and the full
3 name and residential address of the child's parent or
4 legal guardian for the purpose of enrolling eligible
5 children in the Program. This data shall be provided to
6 the State Treasurer by the Department of Public Health on
7 a quarterly basis, no later than 30 days after the end of
8 each quarter, or some other date and frequency as mutually
9 agreed to by the State Treasurer and the Department of
10 Public Health.

11 (1.5) Beginning in 2021, the Department of Revenue
12 shall provide the State Treasurer with information on tax
13 filers claiming dependents or the adoption tax credit
14 including, but not limited to: the full name, residential
15 address, email address, phone number, birth date, adjusted
16 gross income, and social security number or taxpayer
17 identification number of the dependent child and of the
18 child's parent or legal guardian for the purpose of
19 enrolling eligible children in the Program. This data
20 shall be provided to the State Treasurer by the Department
21 of Revenue on at least an annual basis, by July 1 of each
22 year or another date jointly determined by the State
23 Treasurer and the Department of Revenue. Notwithstanding
24 anything to the contrary contained within this paragraph
25 (2), the Department of Revenue shall not be required to
26 share any information that would be contrary to federal

1 law, regulation, or Internal Revenue Service Publication
2 1075.

3 (2) The State Treasurer shall ensure the security and
4 confidentiality of the information provided by the
5 Department of Revenue, the Department of Public Health, or
6 another State or local government agency, and it shall not
7 be subject to release under the Freedom of Information
8 Act.

9 (3) Information provided under this Section shall only
10 be used by the State Treasurer for the Program and shall
11 not be used for any other purpose.

12 (4) The State Treasurer and any vendors working on the
13 Program shall maintain strict confidentiality of any
14 information provided under this Section, and shall
15 promptly provide written or electronic notice to the
16 providing agency of any security breach. The providing
17 State or local government agency shall remain the sole and
18 exclusive owner of information provided under this
19 Section.

20 (d) Seed funds. After receiving information on recent
21 births, adoptions, or dependents from the Department of
22 Revenue, the Department of Public Health, or another State or
23 local government agency, the State Treasurer shall make
24 deposits into an omnibus account on behalf of eligible
25 children. The State Treasurer shall be the owner of the
26 omnibus accounts.

1 (1) Deposit amount. The seed fund deposit for each
2 eligible child shall be in the amount of \$50. This amount
3 may be increased by the State Treasurer by rule. The State
4 Treasurer may use or deposit funds appropriated by the
5 General Assembly together with moneys received as gifts,
6 grants, or contributions into the Fund. If insufficient
7 funds are available in the Fund, the State Treasurer may
8 reduce the deposit amount or forego deposits.

9 (2) Use of seed funds. Seed funds, including any
10 interest, dividends, and other earnings accrued, will be
11 eligible for use by a beneficiary for qualified higher
12 education expenses if:

13 (A) the parent or guardian of the eligible child
14 claimed the seed funds for the beneficiary by the
15 beneficiary's 10th birthday;

16 (B) the beneficiary has completed secondary
17 education or has reached the age of 18; and

18 (C) the beneficiary is currently a resident of the
19 State of Illinois. Non-residents are not eligible to
20 claim or use seed funds.

21 (3) Notice of seed fund availability. The State
22 Treasurer shall make a good faith effort to notify
23 beneficiaries and their parents or legal guardians of the
24 seed funds' availability and the deadline to claim such
25 funds.

26 (4) Unclaimed seed funds. Seed funds and any interest

1 earnings that are unclaimed by the beneficiary's 10th
2 birthday or unused by the beneficiary's 26th birthday will
3 be considered forfeited. Unclaimed and unused seed funds
4 and any interest earnings will remain in the omnibus
5 account for future beneficiaries.

6 (e) Financial education. The State Treasurer may develop
7 educational materials that support the financial literacy of
8 beneficiaries and their legal guardians, and may do so in
9 collaboration with State and federal agencies, including, but
10 not limited to, the Illinois State Board of Education and
11 existing nonprofit agencies with expertise in financial
12 literacy and education.

13 (f) Supplementary deposits and partnerships. The State
14 Treasurer may make supplementary deposits to children in
15 financially insecure households if sufficient funds are
16 available and if funds are deposited into the omnibus accounts
17 as described in subsection (d). Subject to appropriation, the
18 State Treasurer may make supplementary deposits of \$50, or
19 greater if designated by the State Treasurer by rule, into the
20 account of each beneficiary whose parent or legal guardian has
21 an adjusted gross income below the Illinois median household
22 income as determined by the most recent U.S. Census Bureau
23 American Community Survey 5-Year Data for the previous
24 calendar year. The supplementary deposits shall be limited to
25 one deposit per beneficiary. Furthermore, the State Treasurer
26 may develop partnerships with private, nonprofit, or

1 governmental organizations to provide additional savings
2 incentives, including conditional cash transfers or matching
3 contributions that provide a savings incentive based on
4 specific actions taken or other criteria.

5 (g) Illinois Higher Education Savings Program Fund. The
6 Illinois Higher Education Savings Program Fund is hereby
7 established as a special fund in the State treasury. The Fund
8 shall be the official repository of all contributions,
9 appropriated funds, interest, and dividend payments, gifts, or
10 other financial assets received by the State Treasurer in
11 connection with the operation of the Program or related
12 partnerships. All such moneys shall be deposited into the Fund
13 and held by the State Treasurer as custodian thereof. The
14 State Treasurer may accept gifts, grants, awards, matching
15 contributions, interest income, and appropriated funds from
16 individuals, businesses, governments, and other third-party
17 sources to implement the Program on terms that the Treasurer
18 deems advisable. All interest or other earnings accruing or
19 received on amounts in the Illinois Higher Education Savings
20 Program Fund shall be credited to and retained by the Fund and
21 used for the benefit of the Program. Assets of the Fund must at
22 all times be preserved, invested, and expended only for the
23 purposes of the Program and must be held for the benefit of the
24 beneficiaries. Assets may not be transferred or used by the
25 State or the State Treasurer for any purposes other than the
26 purposes of the Program. In addition, no moneys, interest, or

1 other earnings paid into the Fund shall be used, temporarily
2 or otherwise, for inter-fund borrowing or be otherwise used or
3 appropriated except as expressly authorized by this Act.
4 Notwithstanding the requirements of this subsection (g),
5 amounts in the Fund may be used by the State Treasurer to pay
6 the administrative costs of the Program.

7 (g-5) Fund deposits and payments. On July 15 of each year,
8 beginning July 15, 2023, or as soon thereafter as practical,
9 the State Comptroller shall direct and the State Treasurer
10 shall transfer the sum of \$2,500,000, or the amount that is
11 appropriated annually by the General Assembly, whichever is
12 greater, from the General Revenue Fund to the Illinois Higher
13 Education Savings Program Fund to be used for the
14 administration and operation of the Program.

15 (h) Audits and reports. The State Treasurer shall include
16 the Illinois Higher Education Savings Program as part of the
17 audit of the College Savings Pool described in Section 16.5.
18 The State Treasurer shall annually prepare a report that
19 includes a summary of the Program operations for the preceding
20 fiscal year, including the number of children enrolled in the
21 Program, the total amount of seed fund deposits, the rate of
22 seed deposits claimed, and, to the extent data is reported and
23 available, the racial, ethnic, socioeconomic, and geographic
24 data of beneficiaries and of children in financially insecure
25 households who may receive automatic bonus deposits. Such
26 other information that is relevant to make a full disclosure

1 of the operations of the Program and Fund may also be reported.
2 The report shall be made available on the Treasurer's website
3 by January 31 each year, starting in January of 2024. The State
4 Treasurer may include the Program in other reports as
5 warranted.

6 (i) Rules. The State Treasurer may adopt rules necessary
7 to implement this Section.

8 (Source: P.A. 102-129, eff. 7-23-21; 102-558, eff. 8-20-21;
9 102-1047, eff. 1-1-23; 103-8, eff. 6-7-23.)".