



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB0049

Introduced 1/20/2023, by Sen. Laura Fine

#### SYNOPSIS AS INTRODUCED:

110 ILCS 66/5  
110 ILCS 66/15  
110 ILCS 66/30 new  
110 ILCS 66/35 new  
110 ILCS 66/40 new

Amends the Student Debt Assistance Act. Provides that an institution of higher education shall provide an official transcript of a current or former student to the current or former student under specified conditions (instead of providing that an institution of higher education must provide an official transcript of a current or former student to a current or potential employer, even if the current or former student owes a debt). Provides that an institution of higher education may adopt a more lenient policy on providing an official transcript to a current or former student who owes a debt. Provides that beginning with the 2023-2024 academic year, each institution of higher education shall adopt a 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. Provides for minimum requirements for the policy. Provides that the institution of higher education does not need to institute a new policy if the institution's current policy meets the minimum requirements. Provides that on or before July 1, 2024 and on or before each July 1 thereafter, each institution of higher education shall report to the Board of Higher Education information regarding financial-based transcript and registration holds. Provides that complaints from current or former students who have had an unofficial or official transcript withheld may be filed with the Attorney General's student loan ombudsperson. Makes conforming changes.

LRB103 04912 RJT 49922 b

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 Student Debt Assistance Act is amended by  
5 changing Sections 5 and 15 and by adding Sections 30, 35, and  
6 40 as follows:

7 (110 ILCS 66/5)

8 Sec. 5. Definitions. In this Act:

9 "Debt" means any money, obligation, claim, or sum due or  
10 owing or alleged to be due or owing from a student to an  
11 institution of higher education. "Debt" does not include the  
12 fee, if any, that is charged to students by an applicable  
13 provider for the actual cost of providing an academic  
14 transcript to a student.

15 "Financial aid funds" means financial aid funds that a  
16 current or former student owes to an institution of higher  
17 education under Title IV of the federal Higher Education Act  
18 of 1965 or to the State due to miscalculation, withdrawal,  
19 misinformation, or any other reason, not including the  
20 standard repayment of student loans.

21 "Institution of higher education" includes, but is not  
22 limited to, an institution to which the Private Business and  
23 Vocational Schools Act of 2012 or the Private College Act

1 applies and a public institution of higher education included  
2 in the definition of "public institutions of higher education"  
3 under the Board of Higher Education Act. "Institution of  
4 higher education" also includes a person engaged in the  
5 business of providing postsecondary education, via  
6 correspondence or online or in this State, to an individual  
7 located in this State, regardless of whether the person has  
8 obtained authorization from the Board of Higher Education to  
9 operate in this State or is accredited.

10 "Official transcript" means the academic transcript or a  
11 similar academic record of each current or former student of  
12 an institution of higher education that is deemed official,  
13 authenticated, certified, or bona fide and that contains  
14 information customarily provided on an official academic  
15 transcript, including, but not limited to, courses taken,  
16 terms, grades, degrees or credentials conferred, and any other  
17 similar information.

18 "Room and board fees" means any money, obligation, claim,  
19 or sum due or owing or alleged to be due or owing from a  
20 current or former student for the provision of contractually  
21 agreed upon, on-campus housing or meal service plans.

22 "Unofficial transcript" means the academic transcript or a  
23 similar academic record of each current or former student of  
24 an institution of higher education that contains information  
25 customarily provided on an official transcript, but cannot be  
26 used to transfer academic credits to another institution of

1 higher education.

2 (Source: P.A. 102-998, eff. 5-27-22.)

3 (110 ILCS 66/15)

4 Sec. 15. Withholding of official transcripts.

5 (a) An institution of higher education:

6 (1) shall ~~must~~ provide an official transcript of a  
7 current or former student to the current or former  
8 student: ~~to a current or potential employer, even if the~~  
9 ~~current or former student owes a debt;~~

10 (A) if the student only owes a debt other than a  
11 debt relating to past-due tuition, room and board  
12 fees, or financial aid funds; or

13 (B) if the student requires the transcript to  
14 transfer from one institution of higher education to  
15 another and the student:

16 (i) owes a debt of less than \$2,500; and

17 (ii) is on a repayment plan and the plan is  
18 currently in good standing; or

19 (C) if the student can demonstrate that the  
20 transcript is needed for:

21 (i) a job application;

22 (ii) an application for State, federal, or  
23 institutional financial aid;

24 (iii) joining the U.S. Armed Forces or  
25 Illinois National Guard; or

1                    (iv) pursuing other postsecondary  
2                    opportunities, excluding transferring from one  
3                    institution of higher education to another;

4                    (2) may not condition the provision of an official  
5                    transcript to a current or potential employer on the  
6                    payment of a debt, other than a fee charged to provide the  
7                    transcript; and

8                    (3) may not charge a higher fee for providing  
9                    ~~transferring~~ an official transcript ~~to a current or~~  
10                    ~~potential employer~~ or provide less favorable treatment for  
11                    such a request because a current or former student owes a  
12                    debt.

13                    (b) Nothing in this Section prohibits an institution of  
14                    higher education from adopting a more lenient policy on  
15                    providing an official transcript to a current or former  
16                    student who owes a debt.

17                    (Source: P.A. 102-998, eff. 5-27-22.)

18                    (110 ILCS 66/30 new)

19                    Sec. 30. Past-due debt policy.

20                    (a) Beginning with the 2023-2024 academic year, each  
21                    institution of higher education shall adopt a policy that  
22                    outlines the process by which a current or former student may  
23                    obtain a transcript or diploma that has been withheld from the  
24                    student because the student owes a debt. At a minimum, the  
25                    policy must include:

1           (1) a reasonable process for the verification of  
2           conditions a current or former student may demonstrate to  
3           receive an exemption pursuant to Section 15 of this Act;  
4           and

5           (2) identification of the point at which a student may  
6           be subject to a transcript, diploma, or registration hold,  
7           including the time frames and amounts for which the holds  
8           are to be used and the lowest amount of debt at which the  
9           institution will assign debt to a third-party collection  
10          agency.

11          (b) The institution of higher education shall post the  
12          policy described in subsection (a) of this Section and the  
13          procedures for filing a complaint with the Attorney General's  
14          student loan ombudsperson and an administrator of the  
15          institution of higher education on the institution of higher  
16          education's website and shall provide the policy and the  
17          procedures to students as part of the information the  
18          institution of higher education shares relating to the cost of  
19          attendance that includes any additional fees, financial aid,  
20          scholarships, or other information.

21          (c) The institution of higher education does not need to  
22          institute a new policy under this amendatory Act of the 102nd  
23          General Assembly if the institution's current policy meets the  
24          minimum requirements of this Section.

1       Sec. 35. Reporting. On or before July 1, 2024 and on or  
2 before each July 1 thereafter, each institution of higher  
3 education shall report to the Board of Higher Education  
4 information regarding financial-based transcript and  
5 registration holds, which must include:

6           (1) reporting the institution of higher education's  
7 policy developed pursuant to Section 30 of this Act; and

8           (2) reporting the number of students for whom the  
9 institution of higher education has withheld official  
10 transcripts, diplomas, or registration privileges, using  
11 data from the previous academic year.

12       (110 ILCS 66/40 new)

13       Sec. 40. Complaints. If a current or former student  
14 believes the student's unofficial or official transcript is  
15 being withheld erroneously or in violation of this Act, the  
16 student may file a complaint with the Attorney General's  
17 student loan ombudsperson, who shall have the authority to  
18 investigate the complaint.