



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2420

Introduced 2/10/2023, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

30 ILCS 559/20-15

30 ILCS 559/20-20

Amends the Illinois Works Job Program Act. Provides that contractors or subcontractors may be eligible to earn bid credits for employing apprentices who have completed the Illinois Works Preapprenticeship Program (previously bid credits were available for public works contracted by the State). Provides that contractors and subcontractors can use bid credits toward future bids for public works projects contracted or funded by the State or an agency of the State in order to increase the likelihood that the contractor and the subcontractors are selected as the contractor for the public works project. Provides that, for contracts and grant agreements executed after the effective date of the amendatory Act, of a specified goal at least half of the labor hours of each prevailing wage classification performed by apprentices shall be performed by graduates of the Illinois Works Preapprenticeship Program. Provides that the Department of Commerce and Economic Opportunity may grant a reduction or waiver upon a determination that the contractor or subcontractor has demonstrated that insufficient graduates of the Illinois Works Preapprenticeship Program are available to meet the requirements. Provides that contractors and subcontractors must submit a certification to the Department and the agency that is administering the contract, or the grant agreement funding the contract, demonstrating that the contractor or subcontractor has not complied with the labor hour goals and did not receive a reduction or waiver. Provides the penalties for failing to comply with the Illinois Works Apprenticeship Initiative. Effective immediately.

LRB103 30828 DTM 57327 b

1 AN ACT concerning finance.

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

4 Section 5. The Illinois Works Jobs Program Act is amended
5 by changing Sections 20-15, and 20-20 as follows:

6 (30 ILCS 559/20-15)

7 Sec. 20-15. Illinois Works Preapprenticeship Program;
8 Illinois Works Bid Credit Program.

9 (a) The Illinois Works Preapprenticeship Program is
10 established and shall be administered by the Department. The
11 goal of the Illinois Works Preapprenticeship Program is to
12 create a network of community-based organizations throughout
13 the State that will recruit, prescreen, and provide
14 preapprenticeship skills training, for which participants may
15 attend free of charge and receive a stipend, to create a
16 qualified, diverse pipeline of workers who are prepared for
17 careers in the construction and building trades. Upon
18 completion of the Illinois Works Preapprenticeship Program,
19 the candidates will be skilled and work-ready.

20 (b) There is created the Illinois Works Fund, a special
21 fund in the State treasury. The Illinois Works Fund shall be
22 administered by the Department. The Illinois Works Fund shall
23 be used to provide funding for community-based organizations

1 throughout the State. In addition to any other transfers that
2 may be provided for by law, on and after July 1, 2019 at the
3 direction of the Director of the Governor's Office of
4 Management and Budget, the State Comptroller shall direct and
5 the State Treasurer shall transfer amounts not exceeding a
6 total of \$25,000,000 from the Rebuild Illinois Projects Fund
7 to the Illinois Works Fund.

8 (c) Each community-based organization that receives
9 funding from the Illinois Works Fund shall provide an annual
10 report to the Illinois Works Review Panel by April 1 of each
11 calendar year. The annual report shall include the following
12 information:

13 (1) a description of the community-based
14 organization's recruitment, screening, and training
15 efforts;

16 (2) the number of individuals who apply to,
17 participate in, and complete the community-based
18 organization's program, broken down by race, gender, age,
19 and veteran status; and

20 (3) the number of the individuals referenced in item (2)
21 of this subsection who are initially accepted and placed
22 into apprenticeship programs in the construction and
23 building trades.

24 (d) The Department shall create and administer the
25 Illinois Works Bid Credit Program that shall provide economic
26 incentives, through bid credits, to encourage contractors and

1 subcontractors to provide contracting and employment
2 opportunities to historically underrepresented populations in
3 the construction industry.

4 The Illinois Works Bid Credit Program shall allow
5 contractors and subcontractors to earn bid credits for use
6 toward future bids for public works projects contracted by the
7 State or an agency of the State in order to increase the
8 chances that the contractor and the subcontractors will be
9 selected.

10 Contractors or subcontractors may be eligible to earn for
11 bid credits for employing apprentices who have completed the
12 Illinois Works Preapprenticeship Program ~~on public works~~
13 ~~projects contracted by the State or any agency of the State.~~
14 Contractors or subcontractors shall earn bid credits at a rate
15 established by the Department and based on labor hours worked
16 ~~on State contracted public works projects~~ by apprentices who
17 have completed the Illinois Works Preapprenticeship Program.
18 Contractors and subcontractors can use bid credits toward
19 future bids for public works projects contracted or funded by
20 the State or an agency of the State in order to increase the
21 likelihood that the contractor and the subcontractors are
22 selected as the contractor for the public works project toward
23 which they have applied the bid credit. The Department shall
24 establish the rate by rule and shall publish it on the
25 Department's website. The rule may include maximum bid credits
26 allowed per contractor, per subcontractor, per apprentice, per

1 bid, or per year.

2 The Illinois Works Credit Bank is hereby created and shall
3 be administered by the Department. The Illinois Works Credit
4 Bank shall track the bid credits.

5 A contractor or subcontractor who has been awarded bid
6 credits under any other State program for employing
7 apprentices who have completed the Illinois Works
8 Preapprenticeship Program is not eligible to receive bid
9 credits under the Illinois Works Bid Credit Program relating
10 to the same contract.

11 The Department shall report to the Illinois Works Review
12 Panel the following: (i) the number of bid credits awarded by
13 the Department; (ii) the number of bid credits submitted by
14 the contractor or subcontractor to the agency administering
15 the public works contract; and (iii) the number of bid credits
16 accepted by the agency for such contract. Any agency that
17 awards bid credits pursuant to the Illinois Works Credit Bank
18 Program shall report to the Department the number of bid
19 credits it accepted for the public works contract.

20 Upon a finding that a contractor or subcontractor has
21 reported falsified records to the Department in order to
22 fraudulently obtain bid credits, the Department may bar the
23 contractor or subcontractor from participating in the Illinois
24 Works Bid Credit Program and may suspend the contractor or
25 subcontractor from bidding on or participating in any public
26 works project. False or fraudulent claims for payment relating

1 to false bid credits may be subject to damages and penalties
2 under applicable law.

3 (e) The Department shall adopt any rules deemed necessary
4 to implement this Section. In order to provide for the
5 expeditious and timely implementation of this Act, the
6 Department may adopt emergency rules. The adoption of
7 emergency rules authorized by this subsection is deemed to be
8 necessary for the public interest, safety, and welfare.

9 (Source: P.A. 101-31, eff. 6-28-19; 101-601, eff. 12-10-19.)

10 (30 ILCS 559/20-20)

11 Sec. 20-20. Illinois Works Apprenticeship Initiative.

12 (a) The Illinois Works Apprenticeship Initiative is
13 established and shall be administered by the Department.

14 (1) Subject to the exceptions set forth in subsection
15 (b) of this Section, apprentices shall be utilized on all
16 public works projects estimated to cost \$500,000 or more
17 in accordance with this subsection (a).

18 (2) For public works projects estimated to cost
19 \$500,000 or more, the goal of the Illinois Works
20 Apprenticeship Initiative is that apprentices will perform
21 either 10% of the total labor hours actually worked in
22 each prevailing wage classification or 10% of the
23 estimated labor hours in each prevailing wage
24 classification, whichever is less. For contracts and grant
25 agreements executed after the effective date of this

1 amendatory Act of the 103rd General Assembly, of this goal
2 at least half of the labor hours of each prevailing wage
3 classification performed by apprentices shall be performed
4 by graduates of the Illinois Works Preapprenticeship
5 Program.

6 (b) Before or during the term of a contract subject to this
7 Section, the Department may reduce or waive the goals set
8 forth in paragraph (2) of subsection (a). Prior to the
9 Department granting a request for a reduction or waiver, the
10 Department shall determine, in its discretion, whether to hold
11 a public hearing on the request. In determining whether to
12 hold a public hearing, the Department may consider factors,
13 including the scale of the project and whether the contractor
14 or subcontractor seeking the reduction or waiver has
15 previously requested reductions or waivers on other projects.
16 The Department may also consult with the Business Enterprise
17 Council under the Business Enterprise for Minorities, Women,
18 and Persons with Disabilities Act and the Chief Procurement
19 Officer of the agency administering the public works contract.
20 The Department may grant a reduction or waiver upon a
21 determination that:

22 (1) the contractor or subcontractor has demonstrated
23 that insufficient apprentices are available;

24 (2) the reasonable and necessary requirements of the
25 contract do not allow the goal to be met;

26 (3) there is a disproportionately high ratio of

1 material costs to labor hours that makes meeting the goal
2 infeasible; or

3 (4) apprentice labor hour goals conflict with existing
4 requirements, including federal requirements, in
5 connection with the public work.

6 (5) The contractor or subcontractor has demonstrated
7 that insufficient graduates of the Illinois Works
8 Preapprenticeship Program are available to meet the
9 requirements of paragraph (2) of subsection (a).

10 (c) Contractors and subcontractors must submit a
11 certification to the Department and the agency that is
12 administering the contract, or the grant agreement funding the
13 contract, demonstrating that the contractor or subcontractor
14 has ~~either~~:

15 (1) met the apprentice labor hour goals set forth in
16 paragraph (2) of subsection (a); ~~or~~

17 (2) received a reduction or waiver pursuant to
18 subsection (b); ~~or~~.

19 (3) not complied with the labor hour goals in
20 paragraph (2) of subsection (a) and did not receive a
21 reduction or waiver pursuant to subsection (b).

22 It shall be deemed to be a material breach of the contract,
23 or the grant agreement funding the contract, and entitle the
24 State to declare a default, terminate the contract or grant
25 agreement funding it, and exercise those remedies provided for
26 in the contract, at law, or in equity if the contractor or

1 subcontractor fails to submit the certification required in
2 this subsection or submits false or misleading information.

3 Failure to comply with the Illinois Works Apprenticeship
4 Initiative may result in the State agency that contracted or
5 funded the public works project: (i) terminating the contract
6 or agreement involved, (ii) prohibiting the party that
7 contracted with the State from participating in public
8 contracts or agreements for a period not to exceed 3 years,
9 (iii) seeking a penalty of up to 25% of the contract or
10 agreement as a result of the violation, or (iv) any
11 combination of items (i) through (iii). State agencies shall
12 report to the Department all projects that did not comply with
13 the Illinois Works Apprenticeship Initiative and any action
14 taken against the noncompliant party and shall provide an
15 action plan to address the reported instance of noncompliance
16 with the Illinois Works Apprenticeship Initiative.

17 (d) No later than one year after the effective date of this
18 Act, and by April 1 of every calendar year thereafter, the
19 Department of Labor shall submit a report to the Illinois
20 Works Review Panel regarding the use of apprentices under the
21 Illinois Works Apprenticeship Initiative for public works
22 projects. To the extent it is available, the report shall
23 include the following information:

24 (1) the total number of labor hours on each project
25 and the percentage of labor hours actually worked by
26 apprentices on each public works project;

1 (2) the number of apprentices used in each public
2 works project, broken down by trade; and

3 (3) the number and percentage of minorities, women,
4 and veterans utilized as apprentices on each public works
5 project.

6 (e) The Department shall adopt any rules deemed necessary
7 to implement the Illinois Works Apprenticeship Initiative. In
8 order to provide for the expeditious and timely implementation
9 of this Act, the Department may adopt emergency rules. The
10 adoption of emergency rules authorized by this subsection is
11 deemed to be necessary for the public interest, safety, and
12 welfare.

13 (f) The Illinois Works Apprenticeship Initiative shall not
14 interfere with any contracts or grants in existence on the
15 effective date of this Act.

16 (g) Notwithstanding any provisions to the contrary in this
17 Act, any State agency that administers a construction program
18 for which federal law or regulations establish standards and
19 procedures for the utilization of apprentices may implement
20 the Illinois Works Apprenticeship Initiative using the federal
21 standards and procedures for the establishment of goals and
22 utilization procedures for the State-funded, as well as the
23 federally assisted, portions of the program. In such cases,
24 these goals shall not exceed those established pursuant to the
25 relevant federal statutes or regulations.

26 (Source: P.A. 101-31, eff. 6-28-19; 101-601, eff. 12-10-19.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.