

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois State Training and Employment Program (I-STEP) Act.

6 Section 5. Definitions. In this Act:

7 "Agreement" means a written agreement between the
8 Department of Commerce and Economic Opportunity or the
9 Department of Employment Security and an employer or a business
10 association, labor organization, local workforce investment
11 board, community college, or nonprofit corporation concerning
12 a project and any amendments to that agreement.

13 "Base employment" means the highest number of workers
14 employed by the employer in the last 4 completed quarters
15 preceding the effective date of the agreement establishing the
16 project. The Department of Employment Security shall verify an
17 employer's base employment through means including, but not
18 limited to, wage reports submitted pursuant to the Unemployment
19 Insurance Act.

20 "Business association" means an organization formed under
21 Section 501(c)(6) of the Internal Revenue Code or a generally
22 recognized entity or organization that represents the
23 interests of multiple businesses in Illinois.

1 "Community college" means a community college as defined in
2 Section 1-2 of the Public Community College Act.

3 "Credit" or "I-STEP Credit" means an amount agreed to in an
4 agreement with an employer under this Act that does not exceed
5 the Incremental Income Tax attributable to the employer's
6 project.

7 "Employer" means a for-profit, legal entity, including,
8 but not limited to, a sole proprietorship, partnership,
9 corporation, joint venture, association, or cooperative, that
10 has in its employ one or more individuals performing services
11 for it.

12 "Federal minimum wage" means the minimum wage as defined by
13 the federal Fair Labor Standards Act (29 U.S.C. 201 et seq.).

14 "Full-time, permanent job" means a job in which the
15 employee works for the employer at a rate of at least 35 hours
16 per week.

17 "I-STEP Fund" means the fund established in Section 20 of
18 this Act.

19 "Incremental income tax" means the total amount withheld
20 during the taxable year under Article 7 of the Illinois Income
21 Tax Act from the compensation paid to employees in new jobs
22 that are the subject of an agreement.

23 "Labor organization" means an organization defined as a
24 "labor organization" under the National Labor Relations Act.

25 "New job" means a full-time, permanent job located in this
26 State that meets all of the following:

1 (1) The job results in a net increase in the base
2 employment in this State for the employer.

3 (2) The job is not being filled or refilled as a result
4 of a layoff or to replace an employee who is or has been on
5 strike or locked out by the employer.

6 (3) The job is not a job that existed in the employer's
7 business within this State within the last 4 completed
8 quarters preceding the effective date of the agreement.

9 (4) The wage paid for the job is equal to or exceeds
10 175% of the federal minimum wage on the effective date of
11 the agreement.

12 (5) The employer has posted the job on the
13 IllinoisJobLink.com System or its successor system for at
14 least 2 weeks preceding the effective date of the agreement
15 and did not locate an individual who has the requisite
16 expertise, experience, and background, except that this
17 requirement does not apply if either (i) the job would be
18 covered by a collective bargaining agreement between the
19 employer and a labor organization that includes provisions
20 concerning hiring or training or (ii) the employer does not
21 have employees performing services in this State as of the
22 effective date of the agreement.

23 A new job may not be filled by a child, grandchild, parent,
24 or spouse, other than a spouse who is legally separated from
25 the individual, of any individual who has a direct or indirect
26 ownership interest of at least 5% in the profits, capital, or

1 value of the employer.

2 "Program costs" means all necessary and incidental costs of
3 providing program services in connection with a project,
4 including administrative costs.

5 "Program services" includes, but is not limited to, any of
6 the following items needed to hire or train a worker for a new
7 job:

8 (1) Training or retraining including, but not limited
9 to, training or retraining provided by apprenticeship and
10 training programs approved by and registered with the
11 United States Department of Labor's Bureau of
12 Apprenticeship and Training.

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

14 (3) Developmental, readiness, and remedial education.

15 (4) Vocational and skill-assessment services and
16 testing.

17 (5) Training facilities, equipment, materials, and
18 supplies.

19 "Project" means an arrangement for program services that
20 are the subject of an agreement entered into under this Act.

21 Section 10. Agreement.

22 (a) The Director of Commerce and Economic Opportunity and
23 the Director of Employment Security shall each have the power
24 to enter into an agreement to establish a project with an
25 employer. The agreement may be directly with an employer or

1 with a business association, labor organization, local
2 workforce investment board, community college, or nonprofit
3 corporation acting on behalf of an employer. The Directors of
4 Commerce and Economic Opportunity and Employment Security may
5 consult with the I-STEP Panel before entering into an
6 agreement.

7 (b) An agreement shall, at a minimum:

8 (1) State the project's total program costs.

9 (2) State that the employer may use the I-STEP Credit
10 pursuant to Section 15 to reimburse up to 75% of the
11 project's total program costs. If the Department of
12 Employment Security or the Department of Commerce and
13 Economic Opportunity determines that the project will
14 reduce long-term unemployment in the State, the agreement
15 shall state that the employer may use the I-STEP Credit to
16 reimburse up to 100% of the project's total program costs.

17 (3) Describe the program services to be provided.

18 (4) Specify the number of new jobs covered by the
19 project.

20 (5) Include a certification by the employer that it
21 shall (i) offer to assume the collective bargaining
22 obligations of a prior employer, including any existing
23 collective bargaining agreement with the bargaining
24 representative of any existing collective bargaining unit
25 or units performing substantially similar work to the work
26 being performed by any employee in a new job and (ii) offer

1 employment to all employees currently employed in any
2 existing bargaining unit performing substantially similar
3 work to the work being performed by any employee in a new
4 job.

5 (6) Include a provision that fixes the maximum amount
6 of I-STEP Credit for the reimbursement of program costs for
7 each taxable year.

8 (7) Specify the duration of the I-STEP Credit and the
9 first taxable year for which the Credit may be claimed.

10 (8) Require that an employer shall at all times keep
11 proper books of record and account, in accordance with
12 generally accepted accounting principles consistently
13 applied, with the books, records, or papers related to the
14 agreement in the custody or control of the employer open
15 for reasonable inspection and audits by the Department of
16 Commerce and Economic Opportunity and Department of
17 Employment Security and including, without limitation, the
18 making of copies of the books, records, or papers and the
19 inspection or appraisal of any of the employer or project
20 assets related to the project.

21 (9) Indicate the amount of administrative costs that
22 the employer will be required to deposit into the I-STEP
23 Fund.

24 (10) Contain other provisions the Department of
25 Commerce and Economic Opportunity and Department of
26 Employment Security consider appropriate or necessary.

1 (c) The administrative costs of the Department of Commerce
2 and Economic Opportunity with respect to each project shall not
3 exceed 5% of the program costs. The Department of Employment
4 Security's administrative costs with respect to each project
5 shall not exceed 5% of the program costs. In the case of an
6 agreement between the Department of Commerce and Economic
7 Opportunity or the Department of Employment Security and a
8 business association, labor organization, local workforce
9 investment board, community college, or nonprofit corporation
10 acting on behalf of an employer, the administrative costs of
11 the business association, labor organization, local workforce
12 investment board, community college, or nonprofit corporation
13 shall not exceed 5% of the program costs and shall be in
14 addition to the program costs of the Department of Commerce and
15 Economic Opportunity and the Department of Employment
16 Security.

17 (d) The Department of Commerce and Economic Opportunity and
18 the Department of Employment Security shall annually report to
19 the General Assembly, no later than December 31, on the new
20 jobs created and amount of credits for which employers have
21 been certified as eligible pursuant to this Act.

22 (e) A summary of each agreement shall be posted on the
23 website maintained pursuant to the Corporate Accountability
24 for Tax Expenditures Act.

25 Section 15. I-STEP Credit.

1 (a) Subject to the conditions set forth in this Act, for
2 any taxable year ending on or after December 31, 2014, an
3 employer is entitled to a credit against its obligation to pay
4 over withholding under Section 704A of the Illinois Income Tax
5 Act, if the employer is awarded a Credit under this Act for
6 that taxable year.

7 (b) The duration of the credit may not exceed 10 taxable
8 years. The credit may be stated as a percentage of the
9 incremental income tax attributable to the employer's project
10 and shall include a fixed dollar limitation that shall not
11 exceed the amount calculated pursuant to paragraph (2) of
12 subsection (b) of Section 10.

13 (c) An employer claiming a credit under this Act shall
14 submit to the Department of Revenue a copy of the certificate
15 of verification under this Act for the taxable year. However,
16 failure to submit a copy of the certificate with the employer's
17 tax return shall not invalidate a claim for a credit.

18 (d) For an employer to be eligible for a certificate of
19 verification, the employer shall provide proof as required by
20 the Department of Commerce and Economic Opportunity or the
21 Department of Employment Security prior to the end of each
22 calendar year including, but not limited to, attestation by the
23 employer:

24 (1) regarding the number of new jobs specified in its
25 agreement and into which it has hired employees;

26 (2) that employees received the program services

1 specified in the agreement; and

2 (3) regarding the amount of program costs incurred by
3 the employer with respect to those new jobs.

4 (e) For a certificate of verification to be valid, it shall
5 be signed by the Director of Commerce and Economic Opportunity
6 or the Director of Employment Security.

7 Section 20. I-STEP Fund.

8 (a) There is established in the State treasury a special
9 fund to be known as the I-STEP Fund.

10 (b) Money received, earned, or collected pursuant to this
11 Act shall be credited to the I-STEP Fund. All interest earnings
12 on amounts within the I-STEP Fund shall accrue to the I-STEP
13 Fund. The I-STEP Fund may include such funds and accounts as
14 are necessary for the implementation and administration of this
15 Act. All sums recovered for losses sustained by the I-STEP Fund
16 shall be deposited into the I-STEP Fund.

17 (c) Moneys may be paid or expended from the I-STEP Fund for
18 the payment of administrative costs associated with projects
19 established pursuant to this Act.

20 (d) Any payments or expenditures from the I-STEP Fund,
21 other than administrative costs associated with projects
22 established pursuant to this Act, shall require the approval of
23 both the Director of Employment Security and the Director of
24 Commerce and Economic Opportunity.

1 Section 25. I-STEP Panel.

2 (a) There is created the I-STEP Panel. The I-STEP Panel
3 shall consist of the Director of Commerce and Economic
4 Opportunity and the Director of Employment Security, who shall
5 serve as co-chairpersons, and 11 members who shall be appointed
6 by the Governor with the advice and consent of the Senate.

7 (b) The members of the I-STEP Panel shall include a
8 representative from each of the following businesses and
9 groups: manufacturing, small business, a local or State
10 business association or chamber of commerce, building and
11 construction trades unions, a labor organization representing
12 workers engaged in manufacturing, a labor organization
13 representing workers engaged in service professions, a
14 not-for-profit corporation providing workforce training, a
15 community college, and a local workforce investment board.
16 There shall be 2 at-large voting members who reside within
17 counties or municipalities that have had an annual average
18 unemployment rate of at least 120% of the State's annual
19 average unemployment rate as reported by Department of
20 Employment Security for the 5 years preceding the date of
21 appointment. All appointments shall be made in a geographically
22 diverse manner.

23 (c) For the initial appointments to the I-STEP Panel, 5
24 members shall be appointed to serve a 2-year term and 6 members
25 shall be appointed to serve a 4-year term. Thereafter, all
26 appointments shall be for terms of 4 years. The initial term of

1 appointed members shall commence on July 1, 2014. Thereafter,
2 the terms of appointed members shall commence on July 1, except
3 in the case of an appointment to fill a vacancy. Vacancies
4 occurring among the members shall be filled in the same manner
5 as the original appointment for the remainder of the unexpired
6 term. For a vacancy occurring when the Senate is not in
7 session, the Governor may make a temporary appointment until
8 the next meeting of the Senate when a person shall be nominated
9 to fill the office, and, upon confirmation by the Senate, he or
10 she shall hold office during the remainder of the term. A
11 vacancy in membership does not impair the ability of a quorum
12 to exercise all rights and perform all duties of the I-STEP
13 Panel. A member is eligible for reappointment.

14 (d) The I-STEP Panel shall advise the Department of
15 Commerce and Economic Opportunity and Department of Employment
16 Security on the implementation and administration of this Act.

17 (e) Members of the I-STEP Panel shall serve without
18 compensation, but shall be reimbursed for any necessary
19 expenses from funds appropriated for that purpose.

20 Section 30. Powers of the Departments. In addition to those
21 powers granted under the Civil Administrative Code of Illinois,
22 the Department of Commerce and Economic Opportunity and the
23 Department of Employment Security are granted and shall have
24 all the powers necessary or convenient to carry out and
25 effectuate the purposes and provisions of this Act. These

1 powers shall include, but are not limited to, power and
2 authority to:

3 (1) Jointly promulgate procedures or rules necessary
4 and appropriate for the administration of this Act,
5 establish forms for applications, notifications,
6 contracts, or any other agreements, and accept
7 applications at any time during the year.

8 (2) Establish, negotiate, and effectuate any term,
9 agreement, or other document with any person necessary or
10 appropriate to accomplish the purposes of this Act, and to
11 consent, subject to the provisions of any agreement with
12 another party, to the modification or restructuring of any
13 agreement made pursuant to this Act to which the Department
14 of Commerce and Economic Opportunity or the Department of
15 Employment Security is a party.

16 (3) Fix, determine, charge, and collect any premiums,
17 fees, charges, costs, and expenses from employers,
18 including, without limitation, application fees,
19 commitment fees, program fees, financing charges, or
20 publication fees, deemed appropriate to pay expenses
21 necessary or incident to the (i) administration, staffing,
22 or operation in connection with the Department of Commerce
23 and Economic Opportunity's or the Department of Employment
24 Security's activities under this Act, (ii) preparation,
25 implementation, and enforcement of the terms of the
26 agreement, or (iii) consultation, advisory and legal fees

1 and other costs; however, all fees and expenses incident
2 thereto shall be the responsibility of the employer.

3 (4) Provide for sufficient personnel to permit
4 administration, staffing, operation, and related support
5 required to adequately discharge its duties and
6 responsibilities described in this Act from funds made
7 available for that purpose.

8 (5) Gather information and conduct inquiries, in the
9 manner and by methods as deemed desirable including,
10 without limitation, gathering information with respect to
11 employers for the purpose of making any designations or
12 certifications necessary or desirable or to gather
13 information to assist the I-STEP Panel with any
14 recommendation or guidance in the furtherance of the
15 purposes of this Act.

16 Section 85. The State Finance Act is amended by adding
17 Section 5.855 as follows:

18 (30 ILCS 105/5.855 new)
19 Sec. 5.855. The I-STEP Fund.

20 Section 90. The Unemployment Insurance Act is amended by
21 changing Sections 500 and 2101 as follows:

22 (820 ILCS 405/500) (from Ch. 48, par. 420)

1 Sec. 500. Eligibility for benefits. An unemployed
2 individual shall be eligible to receive benefits with respect
3 to any week only if the Director finds that:

4 A. He has registered for work at and thereafter has
5 continued to report at an employment office in accordance with
6 such regulations as the Director may prescribe, except that the
7 Director may, by regulation, waive or alter either or both of
8 the requirements of this subsection as to individuals attached
9 to regular jobs, and as to such other types of cases or
10 situations with respect to which he finds that compliance with
11 such requirements would be oppressive or inconsistent with the
12 purposes of this Act, provided that no such regulation shall
13 conflict with Section 400 of this Act.

14 B. He has made a claim for benefits with respect to such
15 week in accordance with such regulations as the Director may
16 prescribe.

17 C. He is able to work, and is available for work; provided
18 that during the period in question he was actively seeking work
19 and he has certified such. Whenever requested to do so by the
20 Director, the individual shall, in the manner the Director
21 prescribes by regulation, inform the Department of the places
22 at which he has sought work during the period in question.
23 Nothing in this subsection shall limit the Director's approval
24 of alternate methods of demonstrating an active search for work
25 based on regular reporting to a trade union office.

26 1. If an otherwise eligible individual is unable to

1 work or is unavailable for work on any normal workday of
2 the week, he shall be eligible to receive benefits with
3 respect to such week reduced by one-fifth of his weekly
4 benefit amount for each day of such inability to work or
5 unavailability for work. For the purposes of this
6 paragraph, an individual who reports on a day subsequent to
7 his designated report day shall be deemed unavailable for
8 work on his report day if his failure to report on that day
9 is without good cause, and on each intervening day, if any,
10 on which his failure to report is without good cause. As
11 used in the preceding sentence, "report day" means the day
12 which has been designated for the individual to report to
13 file his claim for benefits with respect to any week. This
14 paragraph shall not be construed so as to effect any change
15 in the status of part-time workers as defined in Section
16 407.

17 2. An individual shall be considered to be unavailable
18 for work on days listed as whole holidays in "An Act to
19 revise the law in relation to promissory notes, bonds, due
20 bills and other instruments in writing," approved March 18,
21 1874, as amended; on days which are holidays in his
22 religion or faith, and on days which are holidays according
23 to the custom of his trade or occupation, if his failure to
24 work on such day is a result of the holiday. In determining
25 the claimant's eligibility for benefits and the amount to
26 be paid him, with respect to the week in which such holiday

1 occurs, he shall have attributed to him as additional
2 earnings for that week an amount equal to one-fifth of his
3 weekly benefit amount for each normal work day on which he
4 does not work because of a holiday of the type above
5 enumerated.

6 3. An individual shall be deemed unavailable for work
7 if, after his separation from his most recent employing
8 unit, he has removed himself to and remains in a locality
9 where opportunities for work are substantially less
10 favorable than those in the locality he has left.

11 4. An individual shall be deemed unavailable for work
12 with respect to any week which occurs in a period when his
13 principal occupation is that of a student in attendance at,
14 or on vacation from, a public or private school.

15 5. Notwithstanding any other provisions of this Act, an
16 individual shall not be deemed unavailable for work or to
17 have failed actively to seek work, nor shall he be
18 ineligible for benefits by reason of the application of the
19 provisions of Section 603, with respect to any week,
20 because he is enrolled in and is in regular attendance at a
21 training course approved for him by the Director:

22 (a) but only if, with respect to that week, the
23 individual presents, upon request, to the claims
24 adjudicator referred to in Section 702 a statement
25 executed by a responsible person connected with the
26 training course, certifying that the individual was in

1 full-time attendance at such course during the week.
2 The Director may approve such course for an individual
3 only if he finds that (1) reasonable work opportunities
4 for which the individual is fitted by training and
5 experience do not exist in his locality; (2) the
6 training course relates to an occupation or skill for
7 which there are, or are expected to be in the immediate
8 future, reasonable work opportunities in his locality;
9 (3) the training course is offered by a competent and
10 reliable agency, educational institution, or employing
11 unit; (4) the individual has the required
12 qualifications and aptitudes to complete the course
13 successfully; and (5) the individual is not receiving
14 and is not eligible (other than because he has claimed
15 benefits under this Act) for subsistence payments or
16 similar assistance under any public or private
17 retraining program: Provided, that the Director shall
18 not disapprove such course solely by reason of clause
19 (5) if the subsistence payment or similar assistance is
20 subject to reduction by an amount equal to any benefits
21 payable to the individual under this Act in the absence
22 of the clause. In the event that an individual's weekly
23 unemployment compensation benefit is less than his
24 certified training allowance, that person shall be
25 eligible to receive his entire unemployment
26 compensation benefits, plus such supplemental training

1 allowances that would make an applicant's total weekly
2 benefit identical to the original certified training
3 allowance.

4 (b) The Director shall have the authority to grant
5 approval pursuant to subparagraph (a) above prior to an
6 individual's formal admission into a training course.
7 Requests for approval shall not be made more than 30
8 days prior to the actual starting date of such course.
9 Requests shall be made at the appropriate unemployment
10 office.

11 (c) The Director shall for purposes of paragraph C
12 have the authority to issue a blanket approval of
13 training programs implemented pursuant to the federal
14 Workforce Investment Act of 1998 if both the training
15 program and the criteria for an individual's
16 participation in such training meet the requirements
17 of this paragraph C.

18 (d) Notwithstanding the requirements of
19 subparagraph (a), the Director shall have the
20 authority to issue blanket approval of training
21 programs implemented under the terms of a collective
22 bargaining agreement.

23 (e) Notwithstanding any other provision of this
24 Act, program services implemented under the Illinois
25 State Training and Employment Program (I-STEP) Act
26 shall constitute training approved pursuant to this

1 paragraph C.

2 6. Notwithstanding any other provisions of this Act, an
3 individual shall not be deemed unavailable for work or to
4 have failed actively to seek work, nor shall he be
5 ineligible for benefits, by reason of the application of
6 the provisions of Section 603 with respect to any week
7 because he is in training approved under Section 236 (a) (1)
8 of the federal Trade Act of 1974, nor shall an individual
9 be ineligible for benefits under the provisions of Section
10 601 by reason of leaving work voluntarily to enter such
11 training if the work left is not of a substantially equal
12 or higher skill level than the individual's past adversely
13 affected employment as defined under the federal Trade Act
14 of 1974 and the wages for such work are less than 80% of
15 his average weekly wage as determined under the federal
16 Trade Act of 1974.

17 D. If his benefit year begins prior to July 6, 1975 or
18 subsequent to January 2, 1982, he has been unemployed for a
19 waiting period of 1 week during such benefit year. If his
20 benefit year begins on or after July 6, 1975, but prior to
21 January 3, 1982, and his unemployment continues for more than
22 three weeks during such benefit year, he shall be eligible for
23 benefits with respect to each week of such unemployment,
24 including the first week thereof. An individual shall be deemed
25 to be unemployed within the meaning of this subsection while
26 receiving public assistance as remuneration for services

1 performed on work projects financed from funds made available
2 to governmental agencies for such purpose. No week shall be
3 counted as a week of unemployment for the purposes of this
4 subsection:

5 1. Unless it occurs within the benefit year which
6 includes the week with respect to which he claims payment
7 of benefits, provided that, for benefit years beginning
8 prior to January 3, 1982, this requirement shall not
9 interrupt the payment of benefits for consecutive weeks of
10 unemployment; and provided further that the week
11 immediately preceding a benefit year, if part of one
12 uninterrupted period of unemployment which continues into
13 such benefit year, shall be deemed (for the purpose of this
14 subsection only and with respect to benefit years beginning
15 prior to January 3, 1982, only) to be within such benefit
16 year, as well as within the preceding benefit year, if the
17 unemployed individual would, except for the provisions of
18 the first paragraph and paragraph 1 of this subsection and
19 of Section 605, be eligible for and entitled to benefits
20 for such week.

21 2. If benefits have been paid with respect thereto.

22 3. Unless the individual was eligible for benefits with
23 respect thereto except for the requirements of this
24 subsection and of Section 605.

25 E. With respect to any benefit year beginning prior to
26 January 3, 1982, he has been paid during his base period wages

1 for insured work not less than the amount specified in Section
2 500E of this Act as amended and in effect on October 5, 1980.
3 With respect to any benefit year beginning on or after January
4 3, 1982, he has been paid during his base period wages for
5 insured work equal to not less than \$1,600, provided that he
6 has been paid wages for insured work equal to at least \$440
7 during that part of his base period which does not include the
8 calendar quarter in which the wages paid to him were highest.

9 F. During that week he has participated in reemployment
10 services to which he has been referred, including but not
11 limited to job search assistance services, pursuant to a
12 profiling system established by the Director by rule in
13 conformity with Section 303(j)(1) of the federal Social
14 Security Act, unless the Director determines that:

- 15 1. the individual has completed such services; or
- 16 2. there is justifiable cause for the claimant's
17 failure to participate in such services.

18 This subsection F is added by this amendatory Act of 1995
19 to clarify authority already provided under subsections A and C
20 in connection with the unemployment insurance claimant
21 profiling system required under subsections (a)(10) and (j)(1)
22 of Section 303 of the federal Social Security Act as a
23 condition of federal funding for the administration of the
24 Unemployment Insurance Act.

25 (Source: P.A. 92-396, eff. 1-1-02.)

1 (820 ILCS 405/2101) (from Ch. 48, par. 661)

2 Sec. 2101. Special administrative account. Except as
3 provided in Section 2100, all interest and penalties collected
4 pursuant to this Act shall be deposited in the special
5 administrative account. The amount in this account in excess of
6 \$100,000 on the close of business of the last day of each
7 calendar quarter shall be immediately transferred to this
8 State's account in the unemployment trust fund. However,
9 subject to Section 2101.1, such funds shall not be transferred
10 where it is determined by the Director that it is necessary to
11 accumulate funds in the account in order to have sufficient
12 funds to pay interest that may become due under the terms of
13 Section 1202 (b) of the Federal Social Security Act, as
14 amended, upon advances made to the Illinois Unemployment
15 Insurance Trust Fund under Title XII of the Federal Social
16 Security Act or where it is determined by the Director that it
17 is necessary to accumulate funds in the special administrative
18 account in order to have sufficient funds to expend for any
19 other purpose authorized by this Section. The moneys available
20 in the special administrative account shall be expended upon
21 the direction of the Director whenever it appears to him that
22 such expenditure is necessary for:

23 A. 1. The proper administration of this Act and no Federal
24 funds are available for the specific purpose for which such
25 expenditure is to be made, provided the moneys are not
26 substituted for appropriations from Federal funds, which in the

1 absence of such moneys would be available and provided the
2 monies are appropriated by the General Assembly.

3 2. The proper administration of this Act for which purpose
4 appropriations from Federal funds have been requested but not
5 yet received, provided the special administrative account will
6 be reimbursed upon receipt of the requested Federal
7 appropriation.

8 B. To the extent possible, the repayment to the fund
9 established for financing the cost of administration of this
10 Act of moneys found by the Secretary of Labor of the United
11 States of America, or other appropriate Federal agency, to have
12 been lost or expended for purposes other than, or in amounts in
13 excess of, those found necessary by the Secretary of Labor, or
14 other appropriate Federal agency, for the administration of
15 this Act.

16 C. The payment of refunds or adjustments of interest or
17 penalties, paid pursuant to Sections 901 or 2201.

18 D. The payment of interest on refunds of erroneously paid
19 contributions, penalties and interest pursuant to Section
20 2201.1.

21 E. The payment or transfer of interest or penalties to any
22 Federal or State agency, pursuant to reciprocal arrangements
23 entered into by the Director under the provisions of Section
24 2700E.

25 F. The payment of any costs incurred, pursuant to Section
26 1700.1.

1 G. Beginning January 1, 1989, for the payment for the legal
2 services authorized by subsection B of Section 802, up to
3 \$1,000,000 per year for the representation of the individual
4 claimants and up to \$1,000,000 per year for the representation
5 of "small employers".

6 H. The payment of any fees for collecting past due
7 contributions, payments in lieu of contributions, penalties,
8 and interest shall be paid (without an appropriation) from
9 interest and penalty monies received from collection agents
10 that have contracted with the Department under Section 2206 to
11 collect such amounts, provided however, that the amount of such
12 payment shall not exceed the amount of past due interest and
13 penalty collected.

14 I. The payment of interest that may become due under the
15 terms of Section 1202 (b) of the Federal Social Security Act,
16 as amended, for advances made to the Illinois Unemployment
17 Insurance Trust Fund.

18 J. Expenses incurred by the Department in the
19 administration of the Illinois State Training and Employment
20 Program (I-STEP) Act.

21 The Director shall annually on or before the first day of
22 March report in writing to the Employment Security Advisory
23 Board concerning the expenditures made from the special
24 administrative account and the purposes for which funds are
25 being accumulated.

26 If Federal legislation is enacted which will permit the use

1 by the Director of some part of the contributions collected or
2 to be collected under this Act, for the financing of
3 expenditures incurred in the proper administration of this Act,
4 then, upon the availability of such contributions for such
5 purpose, the provisions of this Section shall be inoperative
6 and interest and penalties collected pursuant to this Act shall
7 be deposited in and be deemed a part of the clearing account.
8 In the event of the enactment of the foregoing Federal
9 legislation, and within 90 days after the date upon which
10 contributions become available for expenditure for costs of
11 administration, the total amount in the special administrative
12 account shall be transferred to the clearing account, and after
13 clearance thereof shall be deposited with the Secretary of the
14 Treasury of the United States of America to the credit of the
15 account of this State in the unemployment trust fund,
16 established and maintained pursuant to the Federal Social
17 Security Act, as amended.

18 (Source: P.A. 94-1083, eff. 1-19-07.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.