

AN ACT concerning finance.

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

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

(30 ILCS 559/20-15)

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

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

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

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

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

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

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

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

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

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

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

Contractors or subcontractors may be eligible to earn ~~for~~ bid credits for employing apprentices who have completed the Illinois Works Preapprenticeship Program ~~on public works projects contracted by the State or any agency of the State.~~ Contractors or subcontractors shall earn bid credits at a rate established by the Department and based on labor hours worked ~~on State contracted public works projects~~ by apprentices who have completed the Illinois Works Preapprenticeship Program. In order to earn bid credits, contractors and subcontractors shall provide the Department with certified payroll documenting the hours performed by apprentices who have completed the Illinois Works Preapprenticeship Program. 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 of being selected as the contractor for the public works project toward which they have applied the bid credit.

The Department shall establish the rate by rule and shall publish it on the Department's website. The rule may include maximum bid credits allowed per contractor, per subcontractor, per apprentice, per bid, or per year.

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

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

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

Upon a finding that a contractor or subcontractor has reported falsified records to the Department in order to fraudulently obtain bid credits, the Department may bar the contractor or subcontractor from participating in the Illinois

Works Bid Credit Program and may suspend the contractor or subcontractor from bidding on or participating in any public works project. False or fraudulent claims for payment relating to false bid credits may be subject to damages and penalties under applicable law.

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

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

(30 ILCS 559/20-20)

Sec. 20-20. Illinois Works Apprenticeship Initiative.

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

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

(2) For public works projects estimated to cost \$500,000 or more, the goal of the Illinois Works Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the

estimated labor hours in each prevailing wage classification, whichever is less. For contracts and grant agreements executed after the effective date of this amendatory Act of the 103rd General Assembly and before January 1, 2024, of this goal, at least 25% of the labor hours of each prevailing wage classification performed by apprentices shall be performed by graduates of the Illinois Works Preapprenticeship Program, the Illinois Climate Works Preapprenticeship Program, or the Highway Construction Careers Training Program. For contracts and grant agreements executed on or after January 1, 2024, of this goal, at least 50% of the labor hours of each prevailing wage classification performed by apprentices shall be performed by graduates of the Illinois Works Preapprenticeship Program, the Illinois Climate Works Preapprenticeship Program, or the Highway Construction Careers Training Program.

(b) Before or during the term of a contract subject to this Section, the Department may reduce or waive the goals set forth in paragraph (2) of subsection (a). Prior to the Department granting a request for a reduction or waiver, the Department shall determine, in its discretion, whether to hold a public hearing on the request. In determining whether to hold a public hearing, the Department may consider factors, including the scale of the project and whether the contractor or subcontractor seeking the reduction or waiver has

previously requested reductions or waivers on other projects. The Department may also consult with the Business Enterprise Council under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and the Chief Procurement Officer of the agency administering the public works contract. The Department may grant a reduction or waiver upon a determination that:

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

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

(3) there is a disproportionately high ratio of material costs to labor hours that makes meeting the goal infeasible; ~~or~~

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

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

(c) 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 ~~either~~:

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

(2) received a reduction or waiver pursuant to subsection (b); or

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

It shall be deemed to be a material breach of the contract, or the grant agreement funding the contract, and entitle the State to declare a default, terminate the contract or grant agreement funding it, and exercise those remedies provided for in the contract, at law, or in equity if the contractor or subcontractor fails to submit the certification required in this subsection or submits false or misleading information.

Intentional failure to comply with the Illinois Works Apprenticeship Initiative may result in the State agency that contracted or funded the public works project: (i) terminating the contract or agreement involved, (ii) prohibiting the party that contracted with the State from participating in public contracts or agreements for a period not to exceed 3 years, (iii) seeking a penalty of up to 25% of the contract or agreement as a result of the violation, or (iv) any combination of items (i) through (iii). State agencies shall report to the Department all projects that did not comply with the Illinois Works Apprenticeship Initiative and any action taken against the noncompliant party and shall provide an

action plan to address the reported instance of noncompliance with the Illinois Works Apprenticeship Initiative.

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

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

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

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

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

(f) The Illinois Works Apprenticeship Initiative shall not interfere with any contracts or grants in existence on the

effective date of this Act.

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

(h) The Department shall maintain a list of graduates of the Illinois Works Preapprenticeship Program for a period of not less than one year after the participant graduates from the Program. The list shall include the name, address, county of residence, phone number, email address, and the self-attested construction and building trade career path preferences of each graduate. This list shall be made available to any contractor or subcontractor, as well as any apprenticeship program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training in alignment with the graduate's self-attested construction and building trade career path preferences.

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

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