
23 ILLINOIS ADMINISTRATIVE CODE CH. XIX, SEC. 2776
WORKFORCE DEVELOPMENT THROUGH CHARITABLE LOAN REPAYMENT
PROGRAM

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2776
WORKFORCE DEVELOPMENT THROUGH CHARITABLE LOAN REPAYMENT
PROGRAM

Section

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AUTHORITY: Implementing the Workforce Development through Charitable Loan Repayment Program Act [110 ILCS 998] and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947].

SOURCE: Adopted at 50 Ill. Reg. 9512, effective June 25, 2026.

Section 2776.10 Summary and Purpose

- a) The Workforce Development through Charitable Loan Repayment Program was created for the purpose of facilitating student loan repayment assistance for qualified workers in the private sector. It serves as an *incentive for qualified workers to work and live in eligible areas while also reducing the student debt burden of those workers.* [110 ILCS 998/10-5]
- b) The Program shall be administered by qualified community foundations with the assistance of the Commission.
- c) This Part establishes rules that govern the Workforce Development through Charitable Loan Repayment Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700 and Limitation, Suspension and Termination (L,S&T) Proceedings, 23 Ill. Adm. Code 2790.

Section 2776.15 Definitions

"Commission" means the Illinois Student Assistance Commission (ISAC).

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week.

"Program" means the Workforce Development through Charitable Loan Repayment Program established under the Workforce Development through Charitable Loan Repayment Act.

"Qualified community foundation" has the same meaning given to that term as in Section 10-10 of the Workforce Development through Charitable Loan Repayment Program Act [110 ILCS 998].

"Qualified worker" means an individual who meets all of the following:

the individual is a full-time employee of a business that meets one or more of the following criteria:

the business is a qualified new business venture registered with the Department of Commerce and Economic Opportunity under Section 220 of the Illinois Income Tax Act;

the business is primarily engaged in a targeted growth industry;

the business is a minority-owned business, a women-owned business, or a business owned by a person with a disability as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act; or

the business is a not-for-profit corporation, as defined in the General Not For Profit Corporation Act of 1986;

the individual is employed by the business at a job site that is located in an Enterprise Zone, an Opportunity Zone, an underserved area, or an area that has a bachelor's degree attainment rate for the population that is below the State or national average for the population as determined by the United States Census Bureau; and

the individual has received an associate degree or higher and has an outstanding balance due on a qualified education loan or the individual has accrued educational debt while pursuing skilled trades and related schooling.

"Student loan repayment assistance" means grants or post-graduation scholarships made by a community foundation directly to a student loan servicer on behalf of a qualified worker.

"Targeted growth industry" is one or more of the following: advanced manufacturing; agribusiness and food processing; transportation distribution and logistics; life sciences and biotechnology; businesses and professional services; or energy. [110 ILCS 998/10-10]

"Underserved area" has the meaning given to that term in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act, defined as an area that meets one of the following four qualifications:

poverty rate of at least 20% according to the latest American Community Survey;

35% or more of the families with children in the area are living below 130% of the poverty line according to the latest American Community Survey;

at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

the area's average unemployment rate as determined by the Illinois Department of Employment Security that is more than 120% of the national unemployment average as determined by the U.S. Department of Labor for a period of at least 2 consecutive calendar years preceding the date of the application. [110 ILCS 998/10-10] and [35 ILCS 10/5-5]

Section 2776.20 Applicant Eligibility

- a) *A qualified community foundation shall apply to the Commission for eligibility to participate in the Program. [110 ILCS 998/10-17]*
 - 1) The qualified community foundation shall submit a complete Community Foundation Program Application to ISAC. A complete application includes, but is not limited to, the following items, sufficient to the satisfaction of ISAC:
 - A) An application form requesting basic organizational information, including but not limited to legal name and contact information and organizational leadership;
 - B) A self-certification statement and, upon request, supplementary evidence that the qualified community foundation meets the qualifications under Section 170(b)(1)(A)(vi) of the Internal Revenue Code and substantially complies with the standards established by Community Foundations National Standards;

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- C) *A list of the names and addresses of all members of the governing board of the qualified community foundation and;*
 - D) A copy of the most recent financial audit of the qualified community foundation's accounts and records conducted by an independent certified public accountant in accordance with auditing standards generally accepted in the United States, government auditing standards, and rules adopted by ISAC under 23 Ill. Adm. Code 2700.30.
- 2) Providing documentation for items listed in subsections (a)(1)(B) through (D) is optional for any qualified community foundation that can instead provide documentation that it has been determined eligible to participate in tax incentive programs administered by other State agencies.
 - 3) To gain a better understanding of the community foundation's proposed loan repayment program, and to support required annual reporting, ISAC will ask community foundations to submit responses to supplemental application questions that will provide an overview of their intended loan repayment program design. Responses to these questions are for informational and planning purposes only and will not be used as a basis for approval or denial of participation in the Program.
- b) Upon ISAC's finding that the qualified community foundation is eligible to participate in the Program, the qualified community foundation may enter into a community foundation Partner Participation Agreement with ISAC.
 - 1) A qualified community foundation's Community Foundation Partner Participation Agreement may automatically be renewed annually for a period of five years upon the annual submission of the following items to ISAC within 60 days of the close of its fiscal year.
 - A) An annual report summarizing its loan repayment activity, as further defined in Section 2776.40(b).
 - B) Notice of any changes or a statement of no changes to any of the required documentation listed in Section 2776.20(a).
 - c) A qualified community foundation will be notified if their Agreement has been automatically renewed following the submission of the annual items listed in Section 2776.20(b), or

- d) A qualified community foundation that does not timely submit the annual items listed in Section 2776.20(b) will need to reapply for the Program, and if approved, may enter into a new community foundation partner participation agreement.

Section 2776.30 Program Procedures

- a) ISAC will advertise the Program on its website.
- b) ISAC will develop and post on its website an application for qualified community foundations to participate in the Program, provide information on the application contents, and any necessary supplementary materials.
- c) ISAC will notify applicants when their application is submitted and when it is complete. If the application is incomplete, ISAC will notify the applicant, who will have an opportunity to furnish the missing information. If a qualified community foundation does not submit a complete application, the applicant cannot be considered for participation in the Program.
- d) ISAC will review all application information and supplementary materials and make a determination on whether the qualified community foundation meets the requirements of the Act and of this Part to participate in the Program.
- e) Approved qualified community foundations will receive written notice of their approval and may begin the community foundation Partner Participation Agreement process with ISAC. Any applicant that is not approved for participation will be given written notice of this determination with reasons for ineligibility included.

Section 2776.40 Institutional Procedures

- a) In addition to complying with the application and renewal procedures in Section 2776.20, qualified community foundations will be responsible for administering and making awards to qualified workers in compliance with the following requirements:
 - 1) Establish an application process for qualified workers that considers the qualified worker eligibility criteria listed in Section 2776.15;
 - 2) Establish a process to give priority to applicants with a higher student debt-to-income ratio if necessary due to limited funds;
 - 3) Establish work requirements in accordance with the Workforce Development through Charitable Loan Repayment Act outlined in the qualified worker definition listed in Section 2776.15;

- 4) Certify the eligibility of qualified workers to receive student loan repayment assistance;
 - 5) Determine any additional requirements for participation that are not inconsistent with the Workforce Development through Charitable Loan Repayment Act this Part, or the administrative rules of the Department of Revenue.
- b) A qualified community foundation shall promptly provide ISAC with any materials requested by ISAC relating to its operations and administration of the Program.