



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 2/6/2004, by Lawrence M. Walsh

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.625 new

Creates the Community Scholarship Foundation Program Act and amends the State Finance Act. Establishes the Community Scholarship Foundation Program, to be administered by the Illinois Student Assistance Commission, to encourage local communities to develop scholarship programs that assist their residents in obtaining a higher education. Requires the Commission to award a foundation \$2,000 upon demonstration to the Commission that the foundation has raised \$2,000 for scholarships or the creation of an endowment for scholarships. Creates the Community Scholarship Foundation Fund as a special fund in the State treasury. Repeals the Act on June 30, 2007. Effective July 1, 2004.

LRB093 21016 RAS 47029 b

1 AN ACT concerning a community scholarship foundation
2 program.

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

5 Section 1. Short title. This Act may be cited as the
6 Community Scholarship Foundation Program Act.

7 Section 5. Findings and purpose. The General Assembly
8 finds that making higher education opportunities available to
9 Illinois residents is of great importance to the social and
10 economic well-being of this State. The General Assembly further
11 finds that some potential students, because of family and
12 social circumstances, economic distress of their community,
13 and other reasons, do not pursue a higher education. It is in
14 the interest of the State to support the development of
15 scholarship programs that help these citizens attend a college,
16 university, or vocational-technical institute in the State.
17 The purpose of this Act is to create a community scholarship
18 foundation program as a pilot project, with the intent of
19 encouraging local communities to develop scholarship programs
20 that assist their residents in obtaining a higher education.

21 Section 10. Definitions. In this Act, unless the context
22 clearly requires otherwise:

23 "Commission" means the Illinois Student Assistance
24 Commission.

25 "Foundation" means a community scholarship foundation
26 found to be eligible for State funds under Section 25 of this
27 Act.

28 "Institution of higher education" means a degree-granting
29 college or university or public vocation-technical institute,
30 in this State, that is a member institution of an accrediting
31 association recognized by rule of the Commission for the

1 purposes of this Act.

2 "Program" means the Community Scholarship Foundation
3 Program.

4 Section 15. Creation of Program.

5 (a) The Community Scholarship Foundation Program is hereby
6 established. Subject to the availability of funds, the
7 Commission shall award a foundation \$2,000 upon demonstration
8 to the Commission that the foundation has raised \$2,000 for
9 scholarships or the creation of an endowment for scholarships.

10 (b) Awards made under this Section shall be used for
11 scholarships to community residents who qualify as resident
12 students, as determined by the Commission, to attend
13 institutions of higher education.

14 Section 20. Goals.

15 (a) The goal of the Program is the development throughout
16 the State of community organizations that raise scholarship
17 funds for local residents.

18 (b) In making awards under Section 15 this Act, the
19 Commission shall take into consideration, but not be limited
20 to, the following additional goals:

21 (1) increasing higher education participation for
22 residents of economically distressed areas and other areas
23 of the State with low participation rates and enhancing
24 community support for residents of these areas who desire a
25 higher education;

26 (2) creating scholarship opportunities for students
27 who do not meet the criteria for traditional scholarships;
28 and

29 (3) creating scholarship opportunities for students
30 who plan to focus their studies in the humanities and arts.

31 Section 25. Eligibility. To qualify as a community
32 scholarship foundation eligible for State money under this Act,
33 an organization must meet the following criteria:

1 (1) have a tax-exempt status under Section 501(c) of
2 the Internal Revenue Code, be a publicly supported
3 organization under Section 170(b)(1)(A)(vi) of the
4 Internal Revenue Code, and not be a private foundation
5 under Section 509(a) of the Internal Revenue Code;

6 (2) be organized after the effective date of this Act
7 for the primary purpose of raising and awarding
8 scholarships to community residents who qualify as
9 resident students, as determined by the Commission, to
10 attend institutions of higher education;

11 (3) solicit broad-based community support in its
12 fundraising activities and be representative of the
13 community in its organization;

14 (4) not be duplicative of other foundations;

15 (5) be organized and operated by volunteers;

16 (6) grant scholarships without regard to age, sex,
17 marital status, race, creed, color, religion, national
18 origin, or the presence of any mental, sensory, or physical
19 handicap; and

20 (7) meet other criteria established by the Commission
21 to meet the goals of the Program specified in Section 20 of
22 this Act.

23 Section 30. Administration; rules; assistance. The
24 Commission shall administer the Program. The Commission shall
25 adopt rules as appropriate to implement the Program and shall
26 solicit assistance from public and private sources to publicize
27 the Program. The Commission may create an advisory committee to
28 assist in making determinations under this Act.

29 Section 35. Community Scholarship Foundation Fund. The
30 Community Scholarship Foundation Fund is created as a special
31 fund in the State treasury. All money appropriated for the
32 Program and all money otherwise received for this purpose shall
33 be deposited in this Fund. All money in this Fund shall be
34 used, subject to appropriation, by the Commission for awards

1 and administration of the Program.

2 Section 40. Gifts; grants; endowments. The Commission may
3 solicit and receive such gifts, grants, and endowments from
4 public or private sources as may be made from time to time, in
5 trust or otherwise, for the use and benefit of the purposes of
6 the Program and may expend the same or any income therefrom
7 according to the terms of the gifts, grants, or endowments.

8 Section 45. Report. By December 1, 2006, the Commission
9 shall submit a report to the Governor, the House of
10 Representatives Higher Education Committee, and the Senate
11 Education Committee. The report shall examine the results and
12 effectiveness of the Program and shall recommend whether the
13 Program should be continued and any modifications to the
14 Program.

15 Section 905. The State Finance Act is amended by adding
16 Section 5.625 as follows:

17 (30 ILCS 105/5.625 new)

18 Sec. 5.625. The Community Scholarship Foundation Fund.

19 Section 990. Repealer. This Act is repealed on June 30,
20 2007.

21 Section 999. Effective date. This Act takes effect on July
22 1, 2004.