



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5311

Introduced 1/31/2022, by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

New Act

Creates the Scholarship Displacement Act. Defines "cost of attendance", "expected family contribution", "financial need", "institutional financial aid", and "private scholarships". Provides that the Act applies on and after the 2022-2023 school year. Provides that a public institution of higher education may reduce a student's institutional financial aid as a result of the awarding of private scholarships to the student: if a student's total financial aid from all sources exceeds the student's financial need until the student's total financial aid no longer exceeds the student's financial need; if the institution receives approval from the organization that awarded the private scholarship that caused the reduction authorized by the provisions; and in order to comply with the individual or team financial aid restrictions of any athletic association, conference, or other group or organization with authority over intercollegiate athletics. Effective immediately.

LRB102 25431 CMG 34717 b

1 AN ACT concerning education.

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 Scholarship Displacement Act.

6 Section 5. Definitions. As used in this Act:

7 "Cost of attendance" means cost of attendance as defined
8 in 20 U.S.C. 108711.

9 "Expected family contribution" means expected family
10 contribution as determined pursuant to 20 U.S.C. 1087nn.

11 "Financial need" means cost of attendance minus expected
12 family contribution.

13 "Institutional financial aid" means need-based and
14 merit-based grants, scholarships, tuition waivers, and all
15 other forms of financial assistance provided by a public
16 institution of higher education that are not loans or
17 work-study programs.

18 "Private scholarships" means scholarships awarded by
19 businesses, private foundations, nonprofit organizations, and
20 service groups. "Private scholarships" does not include awards
21 funded by a private organization that is affiliated with a
22 public institution of higher education and requests the
23 institution's assistance in selecting the recipients of

1 scholarships.

2 Section 10. Scholarship displacement.

3 (a) This Act applies on and after the 2022-2023 school
4 year.

5 (b) A public institution of higher education may reduce a
6 student's institutional financial aid as a result of the
7 awarding of private scholarships to the student only under the
8 circumstances enumerated in the following subsections of this
9 Section.

10 (c) A public institution of higher education may reduce
11 the student's institutional financial aid if a student's total
12 financial aid from all sources exceeds the student's financial
13 need until the student's total financial aid no longer exceeds
14 the student's financial need.

15 (d) A public institution of higher education may reduce a
16 student's institutional financial aid if the institution
17 receives approval from the organization that awarded the
18 private scholarship that caused the reduction authorized
19 pursuant to subsection (c) of this Section.

20 (e) A public institution of higher education may reduce a
21 student athlete's institutional financial aid in order to
22 comply with the individual or team financial aid restrictions
23 of any athletic association, conference, or other group or
24 organization with authority over intercollegiate athletics
25 including, but not limited to, the National Collegiate

1 Athletic Association.

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