

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

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

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

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

29 "Institution of higher education" means a degree-granting
30 college or university or public vocational-technical

1 institute, in this State, that is a member institution of an
2 accrediting association recognized by rule of the Commission
3 for the purposes of this Act.

4 "Program" means the Community Scholarship Foundation
5 Program.

6 Section 15. Creation of Program.

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

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

17 Section 20. Goals.

18 (a) The goal of the Program is the development
19 throughout the State of community organizations that raise
20 scholarship funds for local residents.

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

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

29 (2) creating scholarship opportunities for students
30 who do not meet the criteria for traditional
31 scholarships; and

32 (3) creating scholarship opportunities for students

1 who plan to focus their studies in the humanities and
2 arts.

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

6 (1) have a tax-exempt status under Section 501(c)
7 of the Internal Revenue Code, be a publicly supported
8 organization under Section 170(b)(1)(A)(vi) of the
9 Internal Revenue Code, and not be a private foundation
10 under Section 509(a) of the Internal Revenue Code;

11 (2) be organized after the effective date of this
12 Act for the primary purpose of raising and awarding
13 scholarships to community residents who qualify as
14 resident students, as determined by the Commission, to
15 attend institutions of higher education;

16 (3) solicit broad-based community support in its
17 fundraising activities and be representative of the
18 community in its organization;

19 (4) not be duplicative of other foundations;

20 (5) be organized and operated by volunteers;

21 (6) grant scholarships without regard to age, sex,
22 marital status, race, creed, color, religion, national
23 origin, or the presence of any mental, sensory, or
24 physical handicap; and

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

28 Section 30. Administration; rules; assistance. The
29 Commission shall administer the Program. The Commission
30 shall adopt rules as appropriate to implement the Program and
31 shall solicit assistance from public and private sources to
32 publicize the Program. The Commission may create an advisory

1 committee to assist in making determinations under this Act.

2 Section 35. Community Scholarship Foundation Fund. The
3 Community Scholarship Foundation Fund is created as a special
4 fund in the State treasury. All money appropriated for the
5 Program and all money otherwise received for this purpose
6 shall be deposited in this Fund. All money in this Fund
7 shall be used, subject to appropriation, by the Commission
8 for awards and administration of the Program.

9 Section 40. Gifts; grants; endowments. The Commission
10 may solicit and receive such gifts, grants, and endowments
11 from public or private sources as may be made from time to
12 time, in trust or otherwise, for the use and benefit of the
13 purposes of the Program and may expend the same or any income
14 therefrom according to the terms of the gifts, grants, or
15 endowments.

16 Section 45. Report. By December 1, 2005, the Commission
17 shall submit a report to the Governor, the House of
18 Representatives Higher Education Committee, and the Senate
19 Education Committee. The report shall examine the results
20 and effectiveness of the Program and shall recommend whether
21 the Program should be continued and any modifications to the
22 Program.

23 Section 905. The State Finance Act is amended by adding
24 Section 5.595 as follows:

25 (30 ILCS 105/5.595 new)

26 Sec. 5.595. The Community Scholarship Foundation Fund.

27 Section 990. Repealer. This Act is repealed on June 30,
28 2006.