

SENATE/HOUSE FILE _____
BY (PROPOSED COLLEGE STUDENT
AID COMMISSION BILL)

A BILL FOR

1 An Act authorizing the college student aid commission to
2 organize a nonprofit corporation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.8 Corporation for educational
2 financial assistance, services, and research.

3 1. *Nonprofit corporation for receiving and disbursing*
4 *funds.* The commission may organize a nonprofit corporation
5 under the provisions of chapter 504 that qualifies under
6 section 501(c)(3) of the Internal Revenue Code as an
7 organization exempt from taxation for the purpose of receiving
8 and disbursing moneys from public or private sources to be
9 used to provide Iowans with educational financial assistance,
10 services to increase access to and success in postsecondary
11 education, and research. Unless otherwise provided in this
12 section, the corporation is subject to the provisions of
13 chapter 504.

14 2. *Incorporators.* The incorporators of the corporation
15 organized pursuant to this section shall be the chairperson of
16 the commission, the executive director of the commission, and
17 a member of the commission selected by a majority vote of the
18 commission.

19 3. *Board of directors.* The board of directors of the
20 corporation organized pursuant to this section shall be the
21 members of the commission appointed under section 261.1,
22 subsection 2, paragraphs "a", "b", and "d", or their successors
23 in office, and may include up to two additional members
24 who shall be appointed by the commission and who shall have
25 experience or legal and technical expertise relating to
26 nonprofit organizations.

27 4. *Accepting grants in aid.* The corporation organized
28 pursuant to this section may accept grants of money or property
29 from the federal government or private sources and may upon its
30 own order use its money, property, or other resources for the
31 purposes set forth in subsection 1.

32 5. *Open meetings and open records.* The corporation is
33 subject to chapters 21 and 22 as if the corporation were a
34 governmental body.

35 6. *Status.* The corporation shall collaborate with the

1 commission for the purposes specified in this section, but the
2 corporation shall not be considered, in whole or in part, an
3 agency, department, or administrative unit of the state. The
4 corporation shall not receive appropriations from the general
5 assembly. Except as provided in subsection 5, the corporation
6 shall not be required to comply with any requirements that
7 apply to a state agency, department, or administrative unit
8 and shall not exercise any sovereign power of the state. The
9 commission shall enter into an agreement under chapter 28E with
10 the corporation to stipulate the powers and responsibilities
11 of the corporation and the commission for purposes of this
12 section. The corporation may enter into agreements with
13 other entities as necessary to fulfill the provisions of this
14 section.

15 7. *No state liability.* The corporation does not have
16 authority to pledge the credit of the state, and the state
17 shall not be liable for the debts or obligations of the
18 corporation. All debts and obligations of the corporation
19 shall be payable solely from the corporation's funds.

20 8. *Tax deductible.* The corporation shall be established
21 so that donations and bequests to the corporation qualify as
22 tax deductible under state income tax laws and under section
23 501(c)(3) of the Internal Revenue Code.

24 9. *Staffing and administrative support.* The commission
25 shall provide staff assistance and administrative support to
26 the corporation.

27 10. *Report.* The corporation shall submit by January 15
28 annually a written report of its activities and operations to
29 the governor, the general assembly, and the commission.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill authorizes the college student aid commission
34 (commission) to organize a corporation under the revised
35 Iowa nonprofit corporation Act that qualifies under section

1 501(c)(3) of the Internal Revenue Code as a tax-exempt
2 organization.

3 The corporation must be organized for the purpose of
4 receiving and disbursing moneys from public or private sources
5 to be used to provide Iowans with educational financial
6 assistance, services to increase access and success in
7 postsecondary education, and research.

8 The incorporators of the corporation shall be the
9 chairperson of the commission, the executive director of the
10 commission, and a member of the commission selected by a
11 majority vote of the commission. The board of directors of
12 the corporation shall be the nine members of the commission
13 appointed by the governor, a member of the state board of
14 regents, the director of the department of education or the
15 director's designee, and may include up to two additional
16 members who shall be appointed by the commission and who shall
17 have experience or legal and technical expertise relating to
18 nonprofit organizations.

19 The corporation is subject to the open meetings and open
20 records laws in Code chapters 21 and 22, but the corporation
21 shall not otherwise be required to comply with any requirements
22 that apply to a state agency, department, or administrative
23 unit and shall not exercise any sovereign power of the state.

24 The corporation shall collaborate with the commission for
25 the purposes specified in the bill, but shall not be considered
26 a unit of the state, nor shall it receive appropriations from
27 the general assembly. The corporation shall be established so
28 that donations and bequests to it qualify as tax deductible
29 under federal and state income tax laws. The commission and
30 the nonprofit corporation shall enter into a chapter 28E
31 agreement to stipulate the powers and responsibilities of both
32 entities. The corporation may enter into agreements with other
33 entities as necessary.

34 The corporation does not have authority to pledge the credit
35 of the state, and the state is not liable for the debts or

1 obligations of the corporation.

2 The commission shall provide staff assistance and
3 administrative support to the corporation. The corporation
4 shall submit a written report annually of its activities and
5 operations to the governor, the general assembly, and the
6 commission.