

House File 2295 - Introduced

HOUSE FILE 2295

BY WINCKLER

A BILL FOR

1 An Act relating to the authority, functions, and
2 responsibilities of the college student aid commission.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.2, Code 2016, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 13. Be authorized to issue bonds to provide
4 student loan financing. Bonds shall be issued in compliance
5 with chapter 7C and in accordance with the provisions of
6 chapter 12A.

7 NEW SUBSECTION. 14. Develop a course of instruction in
8 financial literacy for students who qualify for education
9 loans and other forms of financial assistance under programs
10 administered by the commission. Every student who qualifies
11 for and accepts financial assistance under a program
12 administered by the commission shall successfully complete the
13 course, which may be delivered via the internet.

14 Sec. 2. NEW SECTION. **261.8 Corporation for educational**
15 **financial assistance.**

16 1. *Nonprofit corporation for receiving and disbursing*
17 *funds.* The college student aid commission may organize a
18 corporation under the provisions of chapter 504 that qualifies
19 under section 501(c)(3) of the Internal Revenue Code as an
20 organization exempt from taxation for the purpose of receiving
21 and disbursing funds from public or private sources to be used
22 to provide Iowans with educational financial assistance under
23 programs administered by the commission. Unless otherwise
24 provided in this section, the corporation is subject to the
25 provisions of chapter 504.

26 2. *Incorporators.* The incorporators of the corporation
27 organized pursuant to this section shall be the chairperson of
28 the commission, the executive director of the commission, and
29 a member of the commission selected by a majority vote of the
30 commission.

31 3. *Board of directors.* The board of directors of the
32 corporation organized pursuant to this section shall be the
33 members of the commission appointed under section 261.1,
34 subsection 2, paragraph "d", or their successors in office.

35 4. *Accepting grants in aid.* The corporation organized

1 pursuant to this section may accept grants of money or property
2 from the federal government or private sources and may upon
3 its own order use its money, property, or other resources for
4 purposes of providing educational financial assistance under
5 programs administered by the commission.

6 5. *Open meetings and open records.* The corporation is
7 subject to chapters 21 and 22.

8 6. *Status.* The corporation shall collaborate with the
9 commission for the purposes specified in this section, but the
10 corporation shall not be considered, in whole or in part, an
11 agency, department, or administrative unit of the state. The
12 corporation shall not receive appropriations from the general
13 assembly. Except as provided in subsection 5, the corporation
14 shall not be required to comply with any requirements that
15 apply to a state agency, department, or administrative unit and
16 shall not exercise any sovereign power of the state.

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

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

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

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

32 EXPLANATION

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

35 This bill authorizes the college student aid commission

1 (commission) to issue bonds to provide student loan financing,
2 to develop a financial literacy course which students who
3 receive financial assistance under programs administered by the
4 commission must complete, and to organize a corporation under
5 Iowa's revised Iowa nonprofit corporation Act that qualifies
6 under section 501(c)(3) of the Internal Revenue Code as a
7 tax-exempt organization.

8 ISSUANCE OF BONDS. Bonds issued by the commission to provide
9 student loan financing must be issued in compliance with Code
10 chapter 7C, relating to private activity bond allocation,
11 and in accordance with Code chapter 12A, relating to uniform
12 finance procedures for state-issued bonds.

13 FINANCIAL LITERACY COURSE. The commission must develop
14 a course of instruction in financial literacy for students
15 who qualify for education loans and other forms of financial
16 assistance under programs administered by the commission.
17 Every student who qualifies for and accepts financial
18 assistance under such a program must successfully complete the
19 course, which may be delivered via the internet.

20 ORGANIZATION OF A NONPROFIT CORPORATION. The corporation
21 must be organized for the purpose of receiving and disbursing
22 funds from public or private sources to be used to provide
23 Iowans with educational financial assistance under programs
24 administered by the college student aid commission in
25 accordance with Code chapter 261.

26 The incorporators of the corporation shall be the
27 chairperson of the commission, the executive director of the
28 commission, and a member of the commission selected by a
29 majority vote of the commission. The board of directors of
30 the corporation shall be the eight members of the commission
31 appointed by the governor or their successors in office.

32 The corporation is subject to the open meetings and open
33 records laws in Code chapters 21 and 22, but the corporation
34 shall not otherwise be required to comply with any requirements
35 that apply to a state agency, department, or administrative

1 unit and shall not exercise any sovereign power of the state.
2 The corporation shall collaborate with the commission for the
3 purposes specified in the bill, but shall not be considered an
4 agency, department, or administrative unit of the state, nor
5 shall it receive appropriations from the general assembly. The
6 corporation shall be established so that donations and bequests
7 to it qualify as tax deductible under federal and state income
8 tax laws.

9 The corporation does not have authority to pledge the credit
10 of the state, and the state shall not be liable for the debts or
11 obligations of the corporation.

12 The commission shall provide staff assistance and
13 administrative support to the corporation. The corporation
14 shall submit a written report annually of its activities and
15 operations to the governor, the general assembly, and the
16 commission.