

**Senate Study Bill 1069 - Introduced**

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.