

103^D CONGRESS
1ST SESSION

H. R. 1560

To authorize an endowment grant to support the establishment of area program centers to promote and organize locally based, volunteer-operated, private citizens' scholarship programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 1993

Mr. PENNY (for himself, Mr. GOODLING, Mr. FRANK of Massachusetts, Mr. FAWELL, Mr. BOEHLERT, Mr. HUGHES, Mr. ZELIFF, Mr. FIELDS of Louisiana, Mr. WALSH, Mr. JOHNSON of South Dakota, Mr. CLINGER, Mr. PETERSON of Minnesota, Mr. FROST, Mr. HAMILTON, and Mr. MURPHY) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To authorize an endowment grant to support the establishment of area program centers to promote and organize locally based, volunteer-operated, private citizens' scholarship programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Dollars for Scholars
5 Community Scholarship Foundation Development Act".

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) the local community, when properly orga-
4 nized and challenged, is one of the best sources of
5 academic support, motivation toward achievement,
6 and financial resources for aspiring college students;

7 (2) local communities, working to complement
8 or augment services currently being offered by area
9 schools and colleges, can raise the educational expect-
10 tations and increase the rate of college attendance of
11 their youth by forming locally based organizations
12 that provide both academic support (including guid-
13 ance, counseling, mentoring, tutoring, encourage-
14 ment, and recognition) and tangible, locally raised,
15 effectively targeted, publicly recognized financial
16 assistance;

17 (3) proven methods of stimulating these com-
18 munity efforts can be promoted through Federal
19 support for the establishment of area program cen-
20 ters to organize and challenge community efforts to
21 develop educational incentives and support for local
22 students; and

23 (4) using Federal funds to leverage private con-
24 tributions to help students attain educational and
25 career goals is an efficient and effective investment
26 of scarce taxpayer-provided resources.

1 **SEC. 3. PURPOSE; ENDOWMENT GRANT AUTHORIZED.**

2 (a) PURPOSE.—It is the purpose of this Act to estab-
3 lish and endow 25 area program centers to promote the
4 development of locally based, volunteer organizations
5 which promote higher education goals in students by (1)
6 providing academic support, including guidance, counsel-
7 ing, mentoring, tutoring, and recognition; and (2) provid-
8 ing financial assistance for the pursuit of post-secondary
9 education.

10 (b) AUTHORITY.—From the funds appropriated
11 under section 5, the Secretary shall make an endowment
12 grant to an eligible organization to support the establish-
13 ment, or ongoing work, or both, of 25 area program cen-
14 ters to foster the development of locally based, volunteer
15 organizations to improve high school graduation rates and
16 postsecondary attendance through the provision of aca-
17 demic support services and tangible financial assistance
18 for the pursuit of postsecondary education.

19 **SEC. 4. ELIGIBLE ORGANIZATION.**

20 (a) NATIONAL ORGANIZATION.—An organization
21 shall be eligible for an endowment grant under section 3
22 if such organization—

23 (1) has extensive experience in creating, devel-
24 oping, and sustaining broadly based, volunteer-oper-
25 ated, community scholarship foundations;

1 (2) has demonstrated the capacity to sustain
2 newly created community scholarship foundations in
3 towns, cities, and neighborhoods through ongoing
4 training and support programs;

5 (3) is exempt from income taxes under section
6 501(c)(3) of the Internal Revenue Code of 1986;

7 (4) is a publicly supported organization within
8 the meaning of section 170(b)(1)(A)(vi) of such
9 Code;

10 (5) is not a private foundation within the mean-
11 ing of section 509(a) of such Code;

12 (6) ensures that any of its local affiliated chap-
13 ters meet the criteria specified in paragraphs (3),
14 (4), and (5);

15 (7) has received a ruling that provides the op-
16 tion of each community scholarship foundation affili-
17 ated with the organization to file Form 990 under
18 the organization's group roster; and

19 (8) has a program for or experience in cooper-
20 ating with secondary and postsecondary institutions
21 in carrying out its scholarship and academic support
22 activities.

23 (b) REGIONAL CENTERS.—The area program centers
24 established under this program shall—

1 (1) be part of, responsible to, and overseen by
2 the eligible national organization; and

3 (2) be staffed by professionals trained to create,
4 develop, and sustain broadly based, volunteer-oper-
5 ated, community scholarship foundations in towns,
6 cities, and neighborhoods.

7 (c) LOCAL AFFILIATED CHAPTERS.—Each local affil-
8 iate of an eligible organization shall—

9 (1) be a nonprofit organization, recognized as
10 tax exempt under section 501(3)(C) of the Internal
11 Revenue Code of 1986 (or shall meet this criteria
12 through affiliation with the eligible implementing
13 parent organization in accordance with subsection
14 (a) of this section);

15 (2) be formed for the purpose of providing edu-
16 cational scholarships for local residents;

17 (3) solicit broad-based community support in its
18 fund-raising activities;

19 (4) be broadly representative of the local com-
20 munity in the structures of its volunteer-operated or-
21 ganization and have a board of directors that in-
22 cludes leaders from local neighborhood organizations
23 and neighborhood residents, such as school or college
24 personnel, parents, students, community agency rep-

1 representatives, and representatives of the business
2 community;

3 (5) agree to award scholarships without regard
4 to age, sex, marital status, race, creed, color, reli-
5 gion, national origin or the presence of any mental,
6 sensory, or physical disability; and

7 (6) agree to give priority in awarding scholar-
8 ships to needy students in its local community.

9 **SEC. 5. CONDITIONS FOR GRANT.**

10 The Secretary shall make the endowment grant under
11 this Act on the basis of an agreement with an eligible or-
12 ganization that—

13 (1) contains such terms and conditions as may
14 be necessary to ensure that the endowment funds
15 will be used to support an area director and area
16 program office that will work with local communities
17 to establish volunteer community scholarship foun-
18 dations and provide ongoing technical assistance,
19 training workshops, and other activities to help en-
20 sure the ongoing success of the local organizations;

21 (2) contains terms and conditions requiring the
22 organization to establish or support, or both, area
23 program centers serving each area of the United
24 States (including the territories and possessions of
25 the United States);

1 (3) contains terms and conditions specifying
2 that, if appropriated funds are not sufficient to sup-
3 port 25 area program centers, the implementing or-
4 ganization will give preference to those areas of the
5 country with higher than average dropout rates and
6 lower than average postsecondary institutional en-
7 rollment;

8 (4) requires the eligible organization to submit,
9 for a period of up to five years following award of
10 the grant, an annual report to the Secretary that—

11 (A) contains a description of the programs
12 and activities supported by the endowment
13 fund;

14 (B) contains the audited financial state-
15 ments of eligible organization for the preceding
16 fiscal year;

17 (C) contains a plan for the programs and
18 activities to be supported by the endowment
19 during the 3 succeeding fiscal years; and

20 (D) contains or is accompanied by such
21 evaluations of the programs and activities sup-
22 ported by the endowment fund as the Secretary
23 may require; and

1 (5) contains such assurances as the Secretary
2 may require with respect to the management and op-
3 eration of the endowment funds.

4 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

5 There are authorized to be appropriated \$40,000,000
6 to carry out this Act.

7 **SEC. 7. DEFINITIONS.**

8 For the purposes of this Act—

9 (1) the term “Secretary” means the Secretary
10 of Education; and

11 (2) the term “community scholarship founda-
12 tion” means a tax-exempt, publicly supported, locally
13 organized, volunteer-operated, broadly representative
14 organization (formed in towns, rural communities, or
15 neighborhoods of large cities) whose purpose is to
16 raise funds for local scholarships, make scholarship
17 awards to local deserving students, and provide aca-
18 demic support activities to encourage educational
19 achievement.

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