



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5292

Introduced 2/9/2024, by Rep. Nabeela Syed

SYNOPSIS AS INTRODUCED:

New Act

Creates the Scholarship Displacement Act. Provides that the Act applies beginning with the 2024-2025 academic year. Provides that a public institution of higher education may reduce a student's institutional financial aid as a result of the awarding of private scholarships to the student only if the student's total financial aid from all sources exceeds the student's financial need until the student's total financial aid no longer exceeds the student's financial need or only if the student is a student-athlete and the institution is complying with the individual or team financial aid restrictions of any athletic association, conference, or other group or organization with authority over intercollegiate athletics. Effective immediately.

LRB103 37485 RJT 67608 b

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Scholarship Displacement Act.

6 Section 5. Definitions. As used in this Act:

7 "Cost of attendance" means cost of attendance as defined
8 in 20 U.S.C. 108711.

9 "Expected family contribution" means expected family
10 contribution as determined pursuant to 20 U.S.C. 1087nn.

11 "Financial need" means cost of attendance minus expected
12 family contribution.

13 "Institutional financial aid" means need-based and
14 merit-based grants, scholarships, tuition waivers, and all
15 other forms of financial assistance provided by a public
16 institution of higher education that are not loans or
17 work-study programs.

18 "Private scholarships" means scholarships awarded by
19 businesses, private foundations, nonprofit organizations, and
20 service groups. "Private scholarships" does not include awards
21 funded by a private organization that is affiliated with a
22 public institution of higher education and requests the
23 institution's assistance in selecting the recipients of

1 scholarships.

2 Section 10. Scholarship displacement.

3 (a) This Act applies beginning with the 2024-2025 academic
4 year.

5 (b) A public institution of higher education may reduce a
6 student's institutional financial aid as a result of the
7 awarding of private scholarships to the student only under the
8 following circumstances:

9 (1) A public institution of higher education may
10 reduce a student's institutional financial aid if the
11 student's total financial aid from all sources exceeds the
12 student's financial need until the student's total
13 financial aid no longer exceeds the student's financial
14 need.

15 (2) A public institution of higher education may
16 reduce a student-athlete's institutional financial aid in
17 order to comply with the individual or team financial aid
18 restrictions of any athletic association, conference, or
19 other group or organization with authority over
20 intercollegiate athletics, including, but not limited to,
21 the National Collegiate Athletic Association.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.