



[HF 2144](#) – Army Reserve Scholarship Program (LSB5564HV)
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Fiscal Note Version – New

Description

[House File 2144](#) establishes the United States Army Reserve Service Scholarship Program within the College Student Aid Commission to provide scholarships to certain members of the reserve forces of the United States Army.

Background

Other loan services and forgiveness programs are currently available to these service members. These services and programs include but are not limited to:

- USAR Tuition Assistance — The USAR provides tuition assistance to fund the studies of soldiers pursuing education on personal time that is not required to be related to their reservist duties. The USAR will pay up to \$250 per semester hour, or \$4,500 per year.
- Montgomery G.I. Bill — If the reservist commits to a six-year service obligation, the reservist would be eligible for the educational assistance under the G.I. Bill. This program provides up to \$13,000 over 36 months to cover the cost of tuition, fees, and expenses for college, technical, or vocational courses as well as job training and distance learning. The program pays up to \$356 per month for 36 months for full-time students. This benefit can expand if the reservist qualifies for the “Kicker,” which can provide up to an additional \$12,600 in benefits, or \$350 per month for 36 months.
- Reserve Education Assistance Program (REAP) — If activated under Title 10, a reservist may qualify for REAP which can cover up to \$40,000 in education benefits. The total benefit is calculated according to the amount of time of active duty and requires a minimum of 90 consecutive days of active duty. REAP can be applied to various college and vocational training programs.
- Guaranteed Reserve Forces Duty (GRFD) Scholarship — This scholarship is available to participants in the Army Reserve Officer Training Corps (ROTC) program. Scholarships are available based on the participant’s incoming status, which includes the categories of upcoming college enrollment, current college student, or enlisted soldier and is bestowed based on academic achievement and character. Scholarships are issued between two and four years in length and can be applied to tuition, room and board, or books and fees. A GRFD-contracted scholarship cadet can earn up to \$12,000 per year in tuition and room and board expenses, \$1,200 a year in book stipends, a \$420 ROTC monthly stipend, and additional increases for select scholarships.
- Army Student Loan Repayment Program — This Program is eligible to any Army reservists who enlist for six years or more. Reservists can receive up to \$50,000 for selected specialties to repay college loans.

Assumptions

- The Program will be modeled after the existing [Iowa National Guard Benefits Program](#). Cost projections are based on a similar administrative function with higher startup costs in the first year.
- One-time system costs are estimated to be \$79,000 which includes vendor and staffing to build-out, test, and implement the new scholarship system.

- Ongoing administrative expenses will increase 3.0% year over year.
- Iowa College Aid will rely upon the USAR Command to certify the eligibility of applicants under this Program.
- Approved applicants must be both an Iowa resident and a member of a U.S. Army Reserve (USAR) unit while receiving scholarship award payments and must adhere to additional requirements.
- Scholarship awards are not to exceed the residential tuition rate established by the State Board of Regents. If the amount appropriated to this Program is insufficient to cover all eligible applicants, the Commission would determine the distribution of the scholarships.
- Unspent funds at the close of the fiscal year would not revert and are to be available for expenditure the following fiscal year.

Fiscal Impact

House File 2144 is estimated to have an initial cost of \$114,000 in FY 2025. Starting in FY 2026, ongoing administrative and support expenses are estimated to be approximately \$35,000 to maintain the Program. Administrative staffing costs are expected to increase by 3.0% each year.

Figure 1 — Army Reserve Scholarship Program Costs

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
One-time System Cost	79,420	0	0	0	0
System Support/Maintenance	10,500	10,500	10,500	10,500	10,500
Administrative Staff	23,645	24,354	25,085	25,838	26,613
Total	<u>\$ 113,565</u>	<u>\$ 34,854</u>	<u>\$ 35,585</u>	<u>\$ 36,338</u>	<u>\$ 37,113</u>

Source: College Student Aid Commission

Sources

United States Army Reserve
College Student Aid Commission

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
