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## BUDGET UNIT BRIEF – FY 2018

Fiscal Services Division

December 14, 2017



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Des Moines, Iowa 50319

515.281.3566

## For-Profit Tuition Grant Program

### Eligibility

Iowa Tuition Grants (ITGs) are awarded to Iowa residents enrolled at eligible private colleges and universities in Iowa. Priority is given to applicants demonstrating the greatest need, as reported on the Free Application for Federal Student Aid (FAFSA). Grants are available for up to eight semesters of full-time undergraduate study or the equivalent. Part-time students may receive grants for up to 16 semesters of undergraduate study or the equivalent.

Barber and cosmetology students attending eligible institutions may receive tuition grants for not more than four semesters or the equivalent of two full years of study. Statute provides for barber and cosmetology students who resume study after at least a two-year absence to again be eligible for grants for up to two full years of study. However, such students cannot receive funding for courses for which credit was previously received.

The amount of the grant is based on the student's financial need remaining after other sources of financial aid are considered. The maximum grant is \$6,000 per year.

### For-Profit Colleges and Universities

Students attending Waldorf College and Kaplan University are eligible to receive For-Profit Tuition Grants.

Waldorf was originally a nonprofit institution that qualified under the non-profit Iowa Tuition Grant. When Waldorf was purchased and converted to a for-profit entity, the General Assembly provided in statute for ongoing ITG eligibility for Waldorf students.

Kaplan University, formerly Hamilton College, was specifically affected by a statutory provision that allowed any for-profit school to participate if it could prove that its credits would transfer to another eligible school. In 2004, the General Assembly provided in statute for ongoing eligibility for any school with students who were eligible to receive Iowa Tuition Grants in FY 2004. Kaplan was the only school affected by this provision.

Purdue University, a public institution based in Indiana, is in the process of absorbing Kaplan University, which would make Kaplan students ineligible for State-funded financial aid programs, including the For-Profit Iowa Tuition Grant. The transaction must be approved by the accrediting agency, the Higher Learning Commission. It is anticipated that the transaction will be finalized in mid to late spring 2018, a point in time when Iowa students attending Kaplan will have received the majority of their State-funded grants for the 2017-18 academic year.

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### More Information

College Student Aid Commission: [www.iowacollegeaid.gov](http://www.iowacollegeaid.gov)

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Beginning in FY 2018, following the repeal of the Barber and Cosmetology Arts and Sciences Tuition Grant Program, students attending barber and cosmetology schools may participate in the For-Profit Tuition Grant Program. Statute requires the schools to provide a matching grant of institutional financial aid. The matching requirement is 75.0% in FY 2018, 85.0% in FY 2019, and 100.0% in FY 2020 and subsequent years.

### **Funding**

The For-Profit Tuition Grant is funded by a standing appropriation set in statute. However, in practice, the General Assembly frequently does not meet the appropriation or amends the statute to provide increased or decreased funding in any given year.

### **Related Statutes and Administrative Rules**

Iowa Code section [261.9\(2A\)](#)  
2017 Iowa Acts chapter [172](#), section 17  
Iowa Administrative Code [283—12](#)