Senate File 176 - Introduced

SENATE FILE 176
BY FEENSTRA

A BILL FOR

- 1 An Act relating to state student assistance for students
- 2 enrolled in certain postsecondary institutions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

S.F. 176

- 1 Section 1. Section 261.2, Code 2011, is amended by adding 2 the following new subsection:
- 3 NEW SUBSECTION. 11. Ensure that state financial aid awarded
- 4 to a student under a program administered by the commission is
- 5 not paid to any for-profit postsecondary institution under any
- 6 program administered by the commission.
- 7 Sec. 2. Section 261.9, subsection 1, paragraphs b and c,
- 8 Code 2011, are amended to read as follows:
- 9 b. Is accredited by the north central association of
- 10 colleges and secondary schools accrediting agency based
- 11 on their requirements, is exempt from taxation Qualifies
- 12 under section 501(c)(3) of the Internal Revenue Code as an
- 13 organization exempt from taxation, and annually provides a
- 14 matching aggregate amount of institutional financial aid equal
- 15 to at least seventy-five percent of the amount received in a
- 16 fiscal year by the institution's students for Iowa tuition
- 17 grant assistance under this chapter. Commencing with the
- 18 fiscal year beginning July 1, 2006, the matching aggregate
- 19 amount of institutional financial aid shall increase by the
- 20 percentage of increase each fiscal year of funds appropriated
- 21 for Iowa tuition grants under section 261.25, subsection 1, to
- 22 a maximum match of one hundred percent. The institution shall
- 23 file annual reports with the commission prior to receipt of
- 24 tuition grant moneys under this chapter. An institution whose
- 25 income is not exempt from taxation under section 501(c) of
- 26 the Internal Revenue Code and whose students were eligible to
- 27 receive Iowa tuition grant money in the fiscal year beginning
- 28 July 1, 2003, shall meet the match requirements of this
- 29 paragraph no later than June 30, 2005.
- 30 c. Is a specialized college that is accredited by the
- 31 north central association of colleges and secondary schools
- 32 accrediting agency, qualifies under section 501(c)(3) of the
- 33 Internal Revenue Code as an organization exempt from taxation,
- 34 and which offers health professional programs that are
- 35 affiliated with health care systems located in Iowa.

kh/sc

S.F. 176

- 1 Sec. 3. Section 261.25, subsections 2 and 6, Code 2011, are
- 2 amended by striking the subsections.
- 3 EXPLANATION
- 4 This bill makes changes relating to state student assistance
- 5 for students enrolled in certain postsecondary institutions.
- 6 The bill directs the college student aid commission to
- 7 ensure that state financial aid awarded to a student under
- 8 a program administered by the commission is not paid to any
- 9 for-profit postsecondary institution.
- 10 The bill amends language defining "accredited private
- ll institutions" to provide that such institutions that offer
- 12 health professional programs affiliated with Iowa-based health
- 13 care systems, whose students are eligible for Iowa tuition
- 14 grants, must be institutions that qualify as exempt from
- 15 taxation under the federal Internal Revenue Code.
- 16 The bill also strikes standing limited appropriations for
- 17 students attending certain defined for-profit accredited
- 18 private institutions and makes conforming changes.