

### Regulatory Analysis

Notice of Intended Action to be published: 283—Chapters 20 and 29  
“Iowa National Guard Service Benefits Programs”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.210

State or federal law(s) implemented by the rulemaking: Iowa Code sections 256.210 and 256.211

#### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 26, 2025  
4 p.m.

State Board Room  
Grimes State Office Building  
Des Moines, Iowa

#### *Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Executive Director  
Bureau of Iowa College Aid  
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Des Moines, Iowa 50319  
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#### *Purpose and Summary*

The Commission is proposing to rescind Chapters 20 and 29 and to adopt a new Chapter 20 pursuant to Executive Order 10. New Chapter 20 is proposed to consolidate the provisions from the two existing chapters. New Chapter 20 ensures the Commission meets the requirements set forth in law by adopting rules for the administration of the scholarships for members of the Iowa National Guard. This proposed rulemaking establishes the eligibility criteria and awarding of funds for the scholarship and describes the process, procedures, and duties of the Commission; the Iowa National Guard; applicants; and institutions.

#### *Analysis of Impact*

##### **1. Persons affected by the proposed rulemaking:**

###### **• Classes of persons that will bear the costs of the proposed rulemaking:**

In general, the proposed rulemaking does not impose requirements that would add administrative burden beyond the provisions already established in law. The rulemaking defines the processes that will be utilized to ensure eligible applicants receive scholarships and articulates the awarding of funds and general provisions of eligibility to align with other state-funded scholarships and grants. The rulemaking stipulates that the Commission will periodically review compliance of the eligible institutions participating in the scholarship. This requirement is not specifically established in law. The Commission currently performs compliance reviews based on a risk assessment of all colleges/universities participating in all state-funded scholarship and grant programs. Typically, the Commission reviews the three to five colleges/universities that score highest on the risk assessment. This rulemaking does not increase the number of eligible institutions that will be selected for a

compliance review. Thus, there would be no significant additional enforcement cost tied to this provision. However, the Commission and eligible institutions bear the costs involved with compliance reviews.

- **Classes of persons that will benefit from the proposed rulemaking:**

Iowa residents, eligible institutions, the Iowa National Guard, and the Commission will benefit from the rulemaking since it clarifies the processes by which Iowans will apply for and qualify for the scholarship, while also illustrating the duties of the eligible institutions, the Commission, the Iowa National Guard, and applicants in the administration of the grant.

**2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Other than compliance reviews, the rulemaking does not impose measurable costs beyond those imposed by law. Compliance reviews are performed at the institution level, covering all state-funded financial aid programs for which an institution disburses funds. Since the review itself covers multiple programs, the Commission cannot assign a direct cost to a specific program. Staff spend an estimated cumulative total of 40 hours on a compliance review for an institution, a fraction of which could be assigned to a specific program. Data obtained from institutions suggests that institutional staff spend under ten hours collecting the required documents, transmitting them to the Commission, answering questions, responding to findings, and developing corrective action plans, a fraction of which could be assigned to an individual program.

- **Qualitative description of impact:**

Performing compliance reviews is a core tenant of any program administered by the State of Iowa. Compliance reviews add accountability for all partners participating in a program, ensure proper communication and understanding of any requirement under the program, and can generally enhance the integrity of the program. While some costs are imposed by such a requirement, the qualitative impact is positive because compliance reviews ensure the funds are being disbursed to the target audience in a manner that is consistent across all participating institutions.

**3. Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Commission estimates that it takes approximately 40 hours to perform a compliance review. Given the average hourly wage of individuals involved in this process, the review would cost approximately \$1,600 annually. Since a compliance review covers multiple programs, only a fraction of this cost could be assigned to a specific program.

- **Anticipated effect on state revenues:**

The proposed rulemaking is not anticipated to have any effect on state revenues beyond that of the legislation it is intended to implement.

**4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The benefit of the proposed rulemaking is to publicly illustrate the process that will be used to consistently administer and disburse the scholarships, articulate the awarding of funds and general provisions of eligibility, and ensure the future integrity of the scholarship through periodic compliance reviews. The cost of inaction would be confusion and inconsistency in the process and criteria to be used in the application and awarding of funds under the scholarship, as well as errors and irregularities in the award process that would remain unchecked without periodic compliance reviews.

**5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The rulemaking proposes an efficient administrative method of collecting applications and disbursing funding, reducing any administrative burden that otherwise might be introduced.

**6. Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No other methods were seriously considered by the Commission since the method proposed is the most cost-efficient and seamless for all entities involved.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Alternative methods were rejected because they would lead to additional burden on students, eligible institutions, and the Commission.

*Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

**If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?**

The proposed rulemaking is not expected to impact small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 283—Chapter 20 and adopt the following **new** chapter in lieu thereof:

CHAPTER 20  
IOWA NATIONAL GUARD BENEFITS PROGRAMS

**283—20.1(256) Definitions.** As used in this chapter:

“*Eligible institution*” means the same as described in Iowa Code section 256.210(1).

“*Eligible master’s degree program of study*” means a master’s degree program in science, technology, engineering, and mathematics-related military occupational specialties or air force specialty codes pursuant to Iowa Code section 256.211(1)“a.”

“*Federal active duty*” means military duty performed pursuant to orders issued under Title 10, United States Code (as of July 1, 2024), other than for training.

“*Full-time*” means the same as defined in 283—10.2(256).

“*Part-time*” means the same as defined in 283—10.2(256).

“*Program of study*” means the same as defined in 283—10.2(256).

“*Satisfactory academic progress*” means the same as defined in 283—10.2(256).

**283—20.2(256) Iowa national guard service scholarship.**

**20.2(1) Eligible applicant.** An eligible applicant is an Iowa resident, as determined by the adjutant general, who enrolls full-time or part-time in a program of study at an eligible institution and who meets the award eligibility criteria approved by the adjutant general and the following provisions:

*a.* Completes the applications the Iowa national guard deems necessary on or before the date established by the Iowa national guard, except that an individual who was on federal active duty at the time of an application deadline will have 30 days to apply upon return to Iowa from active duty.

*b.* Meets the eligibility criteria in Iowa Code section 256.210, meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

**20.2(2) Awarding of funds.**

*a. Selection criteria.* All eligible applicants will be considered for an award.

*b. Maximum award and extent of award.* Eligible applicants may receive awards for no more than 120 semester credit hours attributable to the program of study unless the applicants meet the provisions of Iowa Code section 256.210(3)“a”(2).

(1) The maximum award for full-time students will not exceed the undergraduate Iowa resident tuition rate at Iowa regent universities or the tuition charged to the eligible applicant, whichever is lower.

(2) All credit hours within a term of enrollment to which a scholarship is applied will be reported to the commission within the state-defined payment period.

*c. Awarding process.*

(1) The Iowa national guard will verify the eligibility of eligible applicants. An eligibility decision by the adjutant general is final.

(2) The commission will designate eligible applicants for awards and provide eligible institutions with rosters of designated eligible applicants.

(3) The commission will notify recipients and eligible institutions of the awards. Eligible institutions will notify the student of the award amount, the state program from which funding is being provided and stating that the award is contingent on the availability of state funds.

(4) Eligible institutions will apply awards to cover expenses identified in Iowa Code section 256.210(5).

(5) Eligible institutions will provide information about eligible applicants to the commission in a format specified by the commission. Eligible institutions will make necessary changes to awards due to a change in enrollment or financial situation, and promptly report those changes to the commission.

(6) Eligible institutions are responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility requirements and allowable award amounts. Eligible institutions will report changes in student eligibility to the commission.

(7) The commission will periodically investigate and review compliance of eligible institutions participating in this program with the criteria established in Iowa Code section 256.210 and this rule.

**283—20.3(256) Iowa national guard master’s degree service scholarship.** In the event that the adjutant general authorizes the expenditure of unencumbered or unobligated funds from Iowa Code section 256.210(6) for the recruitment or retention of individuals by providing a scholarship award to an eligible member of the Iowa national guard, this chapter will be used to administer authorized scholarships. The adjutant general will select program recipients and authorize scholarship awards under this chapter. The decision of the adjutant general is final.

**20.3(1) Eligible applicant.** An eligible applicant is an Iowa resident, as determined by the adjutant general, who enrolls in an eligible program of study at an eligible institution and who meets the award eligibility criteria approved by the adjutant general and the following provisions:

*a.* Completes the applications the Iowa national guard deems necessary on or before the date established by the Iowa national guard, except that an individual who was on federal active duty at the time of an application deadline will have 30 days to apply upon return to Iowa from active duty.

*b.* Meets the eligibility criteria in Iowa Code section 256.211(1)“a” and 256.211(3), meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

**20.3(2) Awarding of funds.**

*a. Selection criteria.* All eligible applicants will be considered for an award.

*b. Maximum award and extent of award.* Eligible applicants may receive awards for no more than 36 semester credit hours, or the equivalent, attributable to the eligible program of study.

(1) The maximum award will not exceed the Iowa resident graduate-level tuition rate at Iowa regent universities or the tuition charged to the eligible applicant, whichever is lower.

(2) All credit hours within a term of enrollment to which a scholarship is applied will be reported to the commission within the state-defined payment period.

*c. Awarding process.* The college student aid commission adopts the awarding process in paragraph 20.2(2)“c” with the following exception: In lieu of “Iowa Code section 256.210” in subparagraph 20.2(2)“c”(7), insert “Iowa Code section 256.211”.

These rules are intended to implement Iowa Code chapter 256.

ITEM 2. Rescind and reserve **283—Chapter 29**.