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## BUDGET UNIT BRIEF – FY 2021

Fiscal Services Division

July 1, 2020



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Scholarship and Tuition Grant Reserve Fund

## Purpose and History

The Scholarship and Tuition Grant Reserve Fund is created as a separate fund in the State treasury in Iowa Code section [261.20](#). Moneys in the fund do not revert to the General Fund unless, and only to the extent that, the funds exceed the maximum allowed balance.

Moneys in the Fund may be used to alleviate a current fiscal year shortfall in appropriations for scholarship and grant programs of the same nature as the programs for which the moneys were appropriated.

Transfers of moneys from the Fund to programs experiencing a current fiscal year shortfall must have prior written approval of the Governor. At least two weeks prior to the transfer, the College Student Aid Commission must notify the chairpersons of the Senate and House Appropriations Committees and the co-chairpersons of the Education Appropriations Subcommittee of the proposed transfer so that those individuals may review and comment on the proposal before the transfer is made.

## Funding — Sources of Revenue

The Fund receives moneys appropriated to scholarship and grant programs that remain unspent at the end of the fiscal year. The unspent dollars are transferred to the Fund up to the maximum allowed balance, which is equal to 2.0% of the funds appropriated under Iowa Code section [261.25](#) for the Iowa Tuition Grant (for both nonprofit and for-profit institutions) and the Vocational-Technical Tuition Grant during the preceding fiscal year. In recent years, the maximum allowed balance has ranged between \$450,000 and \$550,000.

Moneys are placed in the Fund in separate accounts according to the source and purpose of the original appropriation.

## Related Statutes and Administrative Rules

Iowa Code sections [261.20](#) and [261.25](#)

## Budget Unit Number

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## More Information

Higher Education Data Center: [www.iowacollegeaid.gov/DataCenter](http://www.iowacollegeaid.gov/DataCenter)  
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