

**House File 421 - Enrolled**

House File 421

**AN ACT**

**RELATING TO THE IOWA TUITION GRANTS PROGRAM ADMINISTERED BY THE  
COLLEGE STUDENT AID COMMISSION AND INCLUDING EFFECTIVE DATE  
AND RETROACTIVE APPLICABILITY PROVISIONS.**

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:**

**DIVISION I**

**FOR-PROFIT INSTITUTIONS**

**Section 1. IOWA TUITION GRANTS — FOR-PROFIT  
INSTITUTIONS. For the period beginning December 1, 2022, and  
ending June 30, 2023, and for purposes of section 261.16A, an  
“eligible institution”, as defined in section 261.9, subsection  
3, paragraph “a”, shall include an institution of higher  
learning accredited by the higher learning commission which,  
effective January 8, 2010, was purchased by an institution that  
was not exempt from taxation under section 501(c)(3) of the  
Internal Revenue Code and which, effective December 1, 2022,  
was purchased by an entity located in this state that is exempt**

from taxation under section 501(c)(3) of the Internal Revenue Code.

Sec. 2. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 3. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to December 1, 2022.

## DIVISION II

### IOWA TUITION GRANTS PROGRAM

Sec. 4. Section 261.9, subsection 3, Code 2023, is amended to read as follows:

3. "*Eligible institution*" means an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state, which is not exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and which meets all of the criteria in [subsection 1](#), paragraphs "d" through "i", and the criteria in paragraphs "a" or "b" as follows:

~~a. Is accredited by the higher learning commission and which, effective January 8, 2010, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, or whose students were eligible to receive tuition grants in the fiscal year beginning July 1, 2003. The eligible institution shall annually provide a matching aggregate amount of institutional financial aid which shall increase by the percentage of increase each fiscal year of funds appropriated for Iowa tuition grants under [section 261.25, subsection 2](#), to a maximum match of one hundred percent as initiated under [section 261.9, subsection 1](#), paragraph "b", Code 2005.~~

~~b. Is~~ is a barber school licensed under [section 158.7](#) or a school of cosmetology arts and sciences licensed under chapter 157 and is accredited by a national accrediting agency recognized by the United States department of education. For the fiscal year beginning July 1, 2017, ~~an eligible institution under this paragraph~~ such a barber school or school of cosmetology arts and sciences shall provide a matching aggregate amount of institutional financial aid equal to at

least seventy-five percent of the amount received by the institution's students for Iowa tuition grant assistance under [section 261.16A](#). For the fiscal year beginning July 1, 2018, the institution barber school or school of cosmetology arts and sciences shall provide a matching aggregate amount of institutional financial aid equal to at least eighty-five percent of the amount received in that fiscal year. Commencing with the fiscal year beginning July 1, 2019, and each succeeding fiscal year, the matching aggregate amount of institutional financial aid shall be at least equal to the match provided by eligible institutions under section 261.9, subsection 3, paragraph "a", Code 2023.

Sec. 5. Section 261.16A, subsection 2, Code 2023, is amended to read as follows:

2. *Extent of grant.*

~~a. A qualified full-time resident student enrolled in an eligible institution that meets the criteria of section 261.9, subsection 3, paragraph "a", may receive tuition grants for not more than eight semesters of undergraduate study or the equivalent; a qualified part-time resident student enrolled in the eligible institution may receive tuition grants for not more than sixteen semesters of undergraduate study or the equivalent.~~

~~b. A qualified full-time resident student enrolled in an eligible institution that meets the criteria of section 261.9, subsection 3, paragraph "b", may receive tuition grants for not more than four semesters or the equivalent of two full years of study. However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.~~

Sec. 6. Section 261.25, subsection 2, Code 2023, is amended to read as follows:

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of five hundred thousand dollars for tuition grants for qualified students who are enrolled in eligible institutions. Of the moneys appropriated under [this subsection](#), not more than one hundred

thousand dollars annually shall be used for tuition grants to qualified students who are attending an eligible institution under [section 261.9, subsection 3](#), ~~paragraph "b"~~.

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PAT GRASSLEY  
Speaker of the House

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AMY SINCLAIR  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 421, Ninetieth General Assembly.

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MEGHAN NELSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2023

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KIM REYNOLDS  
Governor