

**House File 186 - Introduced**

HOUSE FILE 186

BY STONE

**A BILL FOR**

1 An Act relating to the Iowa tuition grants program administered  
2 by the college student aid commission and including  
3 effective date and retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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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~~

1 July 1, 2003. ~~The eligible institution shall annually provide~~  
 2 ~~a matching aggregate amount of institutional financial aid~~  
 3 ~~which shall increase by the percentage of increase each~~  
 4 ~~fiscal year of funds appropriated for Iowa tuition grants~~  
 5 ~~under section 261.25, subsection 2, to a maximum match of one~~  
 6 ~~hundred percent as initiated under section 261.9, subsection 1,~~  
 7 ~~paragraph "b", Code 2005.~~

8 ~~b.~~ Is is a barber school licensed under section 158.7  
 9 or a school of cosmetology arts and sciences licensed under  
 10 chapter 157 and is accredited by a national accrediting agency  
 11 recognized by the United States department of education.  
 12 For the fiscal year beginning July 1, 2017, ~~an eligible~~  
 13 ~~institution under this paragraph~~ such a barber school or school  
 14 of cosmetology arts and sciences shall provide a matching  
 15 aggregate amount of institutional financial aid equal to at  
 16 least seventy-five percent of the amount received by the  
 17 institution's students for Iowa tuition grant assistance  
 18 under section 261.16A. For the fiscal year beginning July 1,  
 19 2018, the ~~institution~~ barber school or school of cosmetology  
 20 arts and sciences shall provide a matching aggregate amount  
 21 of institutional financial aid equal to at least eighty-five  
 22 percent of the amount received in that fiscal year. Commencing  
 23 with the fiscal year beginning July 1, 2019, and each  
 24 succeeding fiscal year, the matching aggregate amount of  
 25 institutional financial aid shall be at least equal to the  
 26 match provided by eligible institutions under section 261.9,  
 27 subsection 3, paragraph "a", Code 2023.

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

30 2. *Extent of grant.*

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

1 ~~in the eligible institution may receive tuition grants for~~  
2 ~~not more than sixteen semesters of undergraduate study or the~~  
3 ~~equivalent.~~

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

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

15 2. There is appropriated from the general fund of the state  
16 to the commission for each fiscal year the sum of five hundred  
17 thousand dollars for tuition grants for qualified students  
18 who are enrolled in eligible institutions. Of the moneys  
19 appropriated under [this subsection](#), not more than one hundred  
20 thousand dollars annually shall be used for tuition grants to  
21 qualified students who are attending an eligible institution  
22 under [section 261.9, subsection 3](#), ~~paragraph "b"~~.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with  
25 the explanation's substance by the members of the general assembly.

26 This bill relates to the Iowa tuition grants program  
27 administered by the college student aid commission. Under  
28 the program, the commission awards tuition grants to Iowa  
29 residents enrolled at eligible institutions, which Code section  
30 261.9 defines as one of Iowa's eligible private colleges and  
31 universities. The bill provides that, for the period beginning  
32 December 1, 2022, and ending June 30, 2023, and for purposes  
33 of the program, the term "eligible institution" includes  
34 an institution of higher learning accredited by the higher  
35 learning commission which, effective January 8, 2010, was

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1 purchased by an institution that was not exempt from taxation  
2 under section 501(c)(3) of the Internal Revenue Code and which,  
3 effective December 1, 2022, was purchased by an entity located  
4 in this state that is exempt from taxation under section  
5 501(c)(3) of the Internal Revenue Code. The bill establishes  
6 that this provision takes effect upon enactment and applies  
7 retroactively to December 1, 2022. The bill makes conforming  
8 changes.