

House File 2396 - Introduced

HOUSE FILE 2396
BY CROKEN

A BILL FOR

1 An Act modifying provisions related to programs administered by
2 the college student aid commission, including the skilled
3 workforce shortage tuition grant program, Iowa workforce grant
4 and incentive program, vocational-technical tuition grant
5 program, the future ready Iowa skilled workforce last-dollar
6 scholarship program, and the gap tuition assistance program,
7 and making appropriations.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 15H.10, subsections 1 and 4, Code 2026,
2 are amended to read as follows:

3 1. Subject to an appropriation of funds by the general
4 assembly for this purpose, the commission shall establish
5 a volunteer mentor program to support implementation of the
6 ~~future ready Iowa skilled workforce last-dollar scholarship~~
7 ~~and the future ready Iowa skilled workforce grant programs~~
8 program created in ~~sections 256.228 and~~ section 256.229. The
9 commission, in collaboration with the department of workforce
10 development and the college student aid commission, shall adopt
11 rules pursuant to chapter 17A to implement and administer
12 the volunteer mentor program, and shall establish standards,
13 guidelines, and expectations for a productive and appropriate
14 relationship between mentors and mentees, including helping
15 students meet the ~~future ready Iowa skilled workforce last-dollar~~
16 ~~scholarship program or~~ future ready Iowa skilled workforce
17 grant requirements, ~~as appropriate~~; identify work-based learning
18 opportunities; and make career-related connections that are
19 advantageous to persons participating in the volunteer mentor
20 program.

21 4. The commission, in collaboration with the department of
22 workforce development and the college student aid commission, and
23 in cooperation with an eligible institution as defined in section
24 ~~256.228 or 256.229, as appropriate~~, shall assign a student,
25 who is a recipient of a ~~future ready Iowa skilled workforce~~
26 ~~last-dollar scholarship under section 256.228 or a future ready~~
27 Iowa skilled workforce grant under section 256.229, who requests
28 the assignment of a mentor, and who enters into an agreement
29 under subsection 3, to a mentor appropriate to the prospective
30 mentee's field of study whenever possible.

31 Sec. 2. Section 84A.1B, subsection 3, unnumbered paragraph 1,
32 Code 2026, is amended to read as follows:

33 Create, and update as necessary, a list of high-demand jobs
34 statewide for purposes of the future ready Iowa registered
35 apprenticeship programs created in chapter 84F, the summer

1 youth intern pilot program established under section 84A.12,
2 the Iowa employer innovation program established under section
3 84A.13, ~~the future ready Iowa skilled workforce last-dollar~~
4 ~~scholarship program established under section 256.228~~, the future
5 ready Iowa skilled workforce grant program established under
6 section 256.229, and postsecondary summer classes for high
7 school students as provided under section 261E.8, subsection
8 8. In addition to the list created by the workforce
9 development board under this subsection, each community college,
10 in consultation with regional career and technical education
11 planning partnerships, and with the approval of the board of
12 directors of the community college, may identify and maintain
13 a list of not more than five regional high-demand jobs in the
14 community college region, and shall share the lists with the
15 workforce development board. The lists submitted by community
16 colleges under the subsection may be used in that community
17 college region for purposes of programs identified under this
18 subsection. The workforce development board shall have full
19 discretion to select and prioritize statewide high-demand jobs
20 after consulting with business and education stakeholders,
21 as appropriate, and seeking public comment. The workforce
22 development board may add to the list of high-demand jobs as it
23 deems necessary. For purposes of this subsection, "high-demand
24 job" means a job in the state that the board, or a community
25 college in accordance with this subsection, has identified in
26 accordance with this subsection. In creating a list under this
27 subsection, the following criteria, at a minimum, shall apply:

28 Sec. 3. Section 84A.13, subsection 3, paragraph b, Code 2026,
29 is amended to read as follows:

30 b. Whether the proposal increases the number of eligible
31 students receiving financial assistance under the ~~future ready~~
32 ~~Iowa skilled workforce last-dollar scholarship or future ready~~
33 Iowa skilled workforce grant ~~programs~~ program established
34 under ~~sections 256.228 and~~ section 256.229; or increases the
35 donation of books, transportation, child care, and other

1 wrap-around support to assist eligible students receiving
2 financial assistance under ~~section 256.228~~ or section 256.229.

3 Sec. 4. Section 256.7, subsection 34, Code 2026, is amended
4 by striking the subsection.

5 Sec. 5. Section 256.194, subsection 3, Code 2026, is amended
6 by striking the subsection.

7 Sec. 6. Section 256.227, subsection 8, paragraph b, Code
8 2026, is amended to read as follows:

9 b. Adopt rules for approving career-technical or career
10 option programs in industries identified by the department
11 of workforce development; determining financial need; defining
12 residence for the purposes of this section; processing and
13 approving applications for grants; and determining priority for
14 grants. The rules adopted by the commission shall not require
15 a student to attain any particular grade point average to be
16 awarded a skilled workforce shortage tuition grant.

17 Sec. 7. Section 256.227, subsection 9, paragraph b, Code
18 2026, is amended to read as follows:

19 b. Be responsible for the submission of the financial
20 information required for evaluation of the applicant's need for
21 a grant, including the free application for federal student aid,
22 on forms determined by the commission.

23 Sec. 8. Section 256.227, Code 2026, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 10. a. A skilled workforce shortage tuition
26 grant program fund is established in the state treasury. The
27 fund shall be administered by the commission and shall consist
28 of moneys appropriated by the general assembly and other moneys
29 received by the commission for deposit in the fund. The moneys
30 in the fund are appropriated to the commission for the skilled
31 workforce shortage tuition grant program.

32 b. For the fiscal year commencing July 1, 2026, and each
33 succeeding fiscal year, there is appropriated from the general
34 fund of the state to the commission to be credited to the
35 skilled workforce shortage tuition grant program fund the moneys

1 necessary to pay all grants approved for that fiscal year.

2 Sec. 9. Section 256.229, subsection 4, paragraph d, Code
3 2026, is amended by striking the paragraph.

4 Sec. 10. Section 256.230, subsection 3, paragraphs a and b,
5 Code 2026, are amended to read as follows:

6 a. A full-time eligible student may receive an Iowa workforce
7 grant for not more than ~~four~~ eight semesters, or the equivalent,
8 or until the eligible student completes the eligible program,
9 whichever occurs first. A part-time eligible student may receive
10 the grant for not more than ~~eight~~ sixteen semesters, or the
11 equivalent, on a prorated basis, or until the eligible student
12 completes the eligible program, whichever occurs first.

13 b. The amount of an Iowa workforce grant to a full-time
14 eligible student shall not exceed ~~two thousand dollars per~~
15 ~~semester, or the equivalent~~ the lesser of a student's tuition
16 and fees for the eligible program or the amount of the student's
17 financial need. The amount of an Iowa workforce grant to
18 a part-time eligible student shall be equal to the amount
19 that would be awarded to a full-time student except that the
20 commission shall prorate the amount based on the recipient
21 student's semester hour or equivalent enrollment.

22 Sec. 11. Section 256.230, subsection 7, paragraph b, Code
23 2026, is amended to read as follows:

24 b. Adopt rules under chapter 17A for administration of this
25 section, including establishing the duties and responsibilities
26 of eligible institutions under the program, defining residence
27 and satisfactory academic progress for purposes of the program,
28 determining financial need, and establishing procedures for grant
29 and incentive payment application, processing, and approval. The
30 ~~rules shall provide for determining the priority awarding of~~
31 ~~grants and incentives if moneys available for purposes of this~~
32 ~~section are insufficient to pay all eligible applicants~~ adopted
33 by the commission shall not require a student to attain any
34 particular grade point average to be awarded an Iowa workforce
35 grant.

1 Sec. 12. Section 256.230, subsection 8, Code 2026, is amended
2 to read as follows:

3 8. *Fund created.*

4 a. An Iowa workforce grant and incentive program fund
5 is created in the state treasury under the control of the
6 commission. All moneys deposited or paid into the fund
7 are appropriated to the commission to be used for grants
8 and incentive payments awarded as provided in this section.
9 ~~Notwithstanding section 8.33, moneys in the fund that remain~~
10 ~~unencumbered or unobligated at the close of a fiscal year shall~~
11 ~~not revert but shall remain available for expenditure for the~~
12 ~~purposes designated. Notwithstanding section 12C.7, subsection~~
13 ~~2, interest or earnings on moneys in the fund shall be credited~~
14 ~~to the fund and are appropriated to the college student aid~~
15 ~~commission for purposes of administering any program described in~~
16 ~~this subchapter VII, part 4.~~

17 b. For the fiscal year commencing July 1, 2026, and each
18 succeeding fiscal year, there is appropriated from the general
19 fund of the state to the commission to be credited to the Iowa
20 workforce grant and incentive program fund the moneys necessary
21 to pay all grants and incentive payments approved for that fiscal
22 year.

23 Sec. 13. Section 260C.18A, subsection 2, paragraph f, Code
24 2026, is amended to read as follows:

25 f. Development and implementation of programs for the gap
26 ~~tuition~~ assistance program under chapter 260I.

27 Sec. 14. Section 260I.1, Code 2026, is amended to read as
28 follows:

29 **260I.1 Title.**

30 This chapter shall be known and may be cited as the "Gap
31 ~~Tuition~~ Assistance Act".

32 Sec. 15. Section 260I.2, subsections 1 and 2, Code 2026, are
33 amended to read as follows:

34 1. A gap ~~tuition~~ assistance program is established to provide
35 funding to community colleges for need-based ~~tuition~~ assistance

1 to applicants to enable completion of continuing education
2 certificate training programs for in-demand occupations.

3 2. a. There is established for the community colleges a gap
4 ~~tuition~~ assistance fund in the state treasury to be administered
5 by the department of education. The funds in the gap ~~tuition~~
6 assistance fund are appropriated to the department of education
7 for the gap ~~tuition~~ assistance program.

8 b. The aggregate total of grants awarded from the gap ~~tuition~~
9 assistance fund during a fiscal year shall not be more than two
10 million dollars.

11 c. Except as provided in section 260I.10, subsection 4,
12 moneys in the fund shall be allocated pursuant to the formula
13 established in section 260C.18C. Notwithstanding section
14 8.33, moneys in the fund at the close of the fiscal year
15 shall not revert to the general fund of the state but shall
16 remain available for expenditure for the purpose designated
17 for subsequent fiscal years. Notwithstanding section 12C.7,
18 subsection 2, interest or earnings on moneys in the fund shall
19 be credited to the fund.

20 Sec. 16. Section 260I.3, subsection 1, Code 2026, is amended
21 to read as follows:

22 1. The state board of education shall adopt rules pursuant
23 to chapter 17A defining eligibility criteria for persons applying
24 to receive ~~tuition~~ assistance under this chapter.

25 Sec. 17. Section 260I.3, subsection 2, paragraph a,
26 unnumbered paragraph 1, Code 2026, is amended to read as follows:

27 An applicant for ~~tuition~~ assistance under this chapter must
28 have a demonstrated capacity to achieve the following outcomes:

29 Sec. 18. Section 260I.3, subsection 2, paragraph b,
30 unnumbered paragraph 1, Code 2026, is amended to read as follows:

31 The community college receiving the application shall only
32 approve an applicant for ~~tuition~~ assistance under this chapter
33 if the community college determines the applicant has a strong
34 likelihood of achieving the outcomes described in paragraph "a"
35 after considering factors including but not limited to:

1 Sec. 19. Section 260I.4, subsections 1 and 3, Code 2026, are
2 amended to read as follows:

3 1. Only an applicant eligible to work in the United States
4 shall be approved for ~~tuition~~ assistance under this chapter.

5 3. Eligibility for ~~tuition~~ assistance under this chapter
6 shall not be construed to guarantee enrollment in any community
7 college certificate program.

8 Sec. 20. Section 260I.5, unnumbered paragraph 1, Code 2026,
9 is amended to read as follows:

10 Costs of a certificate program eligible for coverage by
11 ~~tuition~~ assistance shall include but are not limited to:

12 Sec. 21. Section 260I.5, subsection 1, Code 2026, is amended
13 by striking the subsection.

14 Sec. 22. Section 260I.8, Code 2026, is amended to read as
15 follows:

16 **260I.8 Program interview.**

17 An applicant for ~~tuition~~ assistance under this chapter
18 shall meet with a member of the staff for an eligible
19 certificate program offered by the community college receiving
20 the application. The staff member shall discuss the
21 relevant industry, any applicable occupational research, and
22 any applicable training relating to the eligible certificate
23 program. The discussion shall include an evaluation of the
24 applicant's capabilities, needs, family situation, work history,
25 educational background, attitude and motivation, employment
26 skills, vocational and technical potential, and employment
27 barriers. The discussion shall also include potential start
28 dates, support needs, and other requirements for an eligible
29 certificate program.

30 Sec. 23. Section 260I.9, subsection 1, unnumbered paragraph
31 1, Code 2026, is amended to read as follows:

32 A participant in an eligible certificate program who receives
33 ~~tuition~~ assistance pursuant to this chapter shall do all of the
34 following:

35 Sec. 24. Section 260I.9, subsection 2, Code 2026, is amended

1 to read as follows:

2 2. A community college may terminate ~~tuition~~ assistance for a
3 participant who fails to meet the requirements of this section.

4 Sec. 25. Section 260I.10, subsections 1 and 3, Code 2026, are
5 amended to read as follows:

6 1. The department of education, in coordination with the
7 community colleges, shall establish a steering committee. The
8 steering committee shall determine if the performance measures
9 of the gap ~~tuition~~ assistance program are being met and shall
10 take necessary steps to correct any deficiencies. The steering
11 committee shall meet at least quarterly to evaluate and monitor
12 the performance of the gap ~~tuition~~ assistance program.

13 3. The department of education shall coordinate statewide
14 oversight, evaluation, and reporting efforts for the gap ~~tuition~~
15 assistance program.

16 Sec. 26. REPEAL. Sections 256.192 and 256.228, Code 2026,
17 are repealed.

18 Sec. 27. VOCATIONAL-TECHNICAL TUITION GRANTS FUND AND FUTURE
19 READY IOWA SKILLED WORKFORCE LAST-DOLLAR SCHOLARSHIP FUND —
20 TRANSFER TO SKILLED WORKFORCE SHORTAGE TUITION GRANT FUND.

21 1. Any moneys appropriated to the college student aid
22 commission for deposit in the vocational-technical tuition grants
23 fund established in section 256.192, subsection 8, that remain
24 unencumbered or unobligated as of July 1, 2026, shall be
25 deposited in the skilled workforce shortage tuition grant program
26 fund created in section 256.227, subsection 10, as enacted by
27 this Act.

28 2. Any moneys appropriated to the college student aid
29 commission for deposit in the future ready Iowa skilled workforce
30 last-dollar scholarship fund established in section 256.228,
31 subsection 5, that remain unencumbered or unobligated as of July
32 1, 2026, shall be deposited in the skilled workforce shortage
33 tuition grant program fund created in section 256.227, subsection
34 10, as enacted by this Act.

35

EXPLANATION

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

3 This bill modifies provisions related to programs administered
4 by the college student aid commission (CSAC), including the
5 skilled workforce shortage tuition grant program, Iowa workforce
6 grant and incentive program, vocational-technical tuition grant
7 program, the future ready Iowa skilled workforce last-dollar
8 scholarship program, and the gap tuition assistance program.

9 Under current law, a grant under the skilled workforce
10 shortage tuition grant program may be awarded to any resident
11 of Iowa who establishes financial need and who is admitted
12 and in attendance as a full-time or part-time student in
13 a career-technical or career option program to pursue an
14 associate's degree or other training at a community college in
15 the state. Currently, the maximum amount of a grant under the
16 program is one-half of the average community college tuition and
17 fee rate. The bill increases the maximum amount of a grant
18 under the program to 100 percent of the average community college
19 tuition and fee rate. The bill establishes a skilled workforce
20 shortage tuition grant program fund in the state treasury and,
21 beginning July 1, 2026, appropriates from the general fund of the
22 state to the fund the moneys necessary to pay all grants approved
23 for that fiscal year. Additionally, the bill prohibits CSAC from
24 adopting rules that require a student to attain any particular
25 grade point average to be awarded a skilled workforce shortage
26 tuition grant. The bill requires students participating in the
27 program to submit the free application for federal student aid to
28 CSAC for evaluation of need for a grant under the program.

29 Under current law, a grant under the Iowa workforce grant and
30 incentive program may be awarded to any resident of Iowa who
31 establishes financial need and who is admitted and in attendance
32 as a full-time or part-time student in either a program of
33 study or an academic major jointly approved by the workforce
34 development board and the state board of regents or a teacher
35 preparation program that leads to a bachelor's degree, initial

1 teaching license, or intern teaching license. Currently, the
2 maximum amount of a grant under the program is \$2,000 per
3 semester for full-time students for not more than four semesters.
4 The bill increases the maximum amount of a grant under the
5 program to 100 percent of the student's tuition and fees for
6 the eligible program and provides that a full-time student
7 may receive grants under the program for not more than eight
8 semesters. Beginning July 1, 2026, the bill appropriates from
9 the general fund of the state to the Iowa workforce grant
10 and incentive program fund the moneys necessary to pay all
11 grants approved for that fiscal year. Also, the bill prohibits
12 CSAC from adopting rules that require a student to attain any
13 particular grade point average to be awarded an Iowa workforce
14 grant.

15 Current Code section 256.192 establishes the
16 vocational-technical tuition grants program, which provides
17 grants to Iowa residents who demonstrate financial need and who
18 are enrolled in career or technical education programs at Iowa
19 community colleges. Current Code section 256.228 establishes
20 the future ready Iowa skilled workforce last-dollar scholarship
21 program, which provides grants intended to cover any gap between
22 federal and state grant or scholarship programs and the tuition
23 and fees charged by Iowa community colleges to Iowa residents
24 who demonstrate financial need and who are enrolled in certain
25 specified career or technical education programs at a community
26 college. The bill repeals Code sections 256.192 and 256.228
27 and transfers any moneys appropriated to CSAC for deposit in
28 the vocational-technical tuition grants fund or the future ready
29 Iowa skilled workforce last-dollar scholarship fund that remain
30 unencumbered or unobligated as of July 1, 2026, to the skilled
31 workforce shortage tuition grant program fund.

32 The gap tuition assistance program provides funding to
33 community colleges for need-based tuition assistance to enable
34 applicants to complete continuing education certificate training
35 programs for in-demand occupations. Under current law, the gap

1 tuition assistance program covers, among other things, tuition
2 costs for eligible certificate training programs. The bill
3 strikes this provision, leaving only the following costs to be
4 covered by the gap tuition assistance program: direct training
5 and support services, required books and equipment, certain
6 specified fees, and costs of providing direct staff support
7 services. As a result of this change, the bill changes the name
8 of this program from the gap tuition assistance program to the
9 gap assistance program.

10 The bill makes conforming changes.

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