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Memorandum Proposed Amendments to Iowa Code Section 261.87

Background:

The All Iowa Opportunity Scholarship provides financial need-based awards to students who attend an Iowa college/university within two years of completing a high school diploma. Students can continue to qualify for funding under the scholarship if they continuously receive the award over successive fall and spring semesters, although students who don't re-enroll during a fall or spring semester after initially receiving the scholarship become ineligible in perpetuity. Such a break in receipt of the scholarship results in the student losing access to thousands of dollars in financial aid due, in some cases, to unforeseeable circumstances.

Solution:

To allow a student who must suspend enrollment due to a medical emergency, military deployment, or other exceptional circumstances to continue to qualify for funding under the program upon re-enrollment, a technical amendment to law is being proposed.

Explanation (preliminary language):

§	Amendment	Summary
261.87(2)f	<p><i>f.</i> Begins enrollment at an eligible institution within two academic years of graduation from high school or receipt of a high school equivalency diploma under chapter 259A and continuously receives awards as a full-time or part-time student to maintain eligibility. However, the student may defer <u>or suspend</u> participation in the program for up to two years in order to pursue obligations that meet conditions established by the commission by rule or to fulfill military obligations.</p>	<p>The 'suspension' allows for a break in continuous receipt of the scholarship. The Commission would define allowable circumstances, such as medical emergency or military deployment, in administrative rule.</p>

Goal:

Approve the proposed legislative amendments to the All Iowa Opportunity Scholarship to ensure that recipients, who experience an exceptional circumstance that leads to a pause in enrollment, can maintain scholarship eligibility upon re-enrollment.

Fiscal and Jobs Impact:

No impact.

Has proposal been pre-cleared before?

No.