



Memorandum: Future Ready Iowa Last-Dollar Scholarship Proposed Amendments to Iowa Code Section 261.131

Background and Summary of Amendments to Iowa Code Section 261.131:

The Future Ready Iowa Last-Dollar Scholarship covers the gap between federal and state scholarships/grants and tuition and qualified fees for students who enroll in programs of study aligned with high-demand jobs in Iowa. Currently, students under age 20 must enroll full-time in an eligible program, unless they are participating in a registered apprenticeship program approved by the Federal Department of Labor.

There are a number of part-time students who are under age twenty who are currently not being served by the program. Expanding the program to those students would assist more Iowans in completing training programs aligned with high-demand jobs.

In addition, agency staff have been contacted by students who completed a significant number of college courses while in high school, only to find out they don't have enough remaining credits to enroll on a full-time basis and qualify for the program. These students are currently ineligible for the program.

Many Iowans must work while obtaining the training necessary to fill high-demand jobs, in order to pay for college and living expenses without taking on excessive student loan debt. For some of these individuals, part-time enrollment may be the only manageable way to maintain full-time employment.

In addition, there are currently three separate and distinct categories of student eligibility under this program (students age 20 and over who enroll at least part-time, students under age 20 who enroll full-time, students under age twenty who are in a registered apprenticeship program and enroll at least part-time). The program could be simplified to reduce confusion among Iowa students and parents.

Solution:

To address these issues, and to allow all students who enroll part-time, regardless of age, to qualify for the Future Ready Iowa Last-Dollar Scholarship, an amendment to law is being proposed.

Explanation (preliminary language):

§	Amendment	Summary
261.131(1)g(1)(a)	(a). A graduate of an Iowa high school, or a person who completed private instruction under chapter 299A, or a person who is a recipient of a high school equivalency diploma, and who prior to becoming an adult learner enrolls full-time or part-time during the academic year, or part-time for a summer semester, in an eligible program at an eligible institution.	Allows a student under age 20 (prior to becoming an adult learner) to enroll part-time and qualify for the program.

Governor's Key Goals:

Preparing for a Future Ready Iowa.

Fiscal and Jobs Impact:

Staff updated the expenditure projection aligned with this proposed amendment in December, 2021. Staff estimate that, if the FAFSA deadline is set at August 1, 2022, for the 2022-23 academic year, expenditures would increase by approximately \$1,300,000.