

CHAPTER 261
COLLEGE STUDENT AID COMMISSION

Referred to in §8A.504, 261B.11A, 261F.1, 261G.4

Iowa higher education loan authority
is attached to the commission; §7E.7, chapter 261A

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SUBCHAPTER I GENERAL PROVISIONS

261.1 Commission created.

1. There is hereby created a commission to be known as the “*College Student Aid Commission*” of the state of Iowa.

2. Membership of the commission shall be as follows:

a. A member of the state board of regents to be named by the board, or the executive director of the board if so appointed by the board, who shall serve for a four-year term or until the expiration of the member’s term of office.

b. The director of the department of education or the director’s designee.

c. (1) Two members of the senate, one to be appointed by the president of the senate and one to be appointed by the minority leader of the senate, to serve as ex officio, nonvoting members.

(2) Two members of the house of representatives, one to be appointed by the speaker of the house of representatives and one to be appointed by the minority leader of the house of representatives, to serve as ex officio, nonvoting members.

(3) The members of the senate and house of representatives shall serve at the pleasure of the appointing legislator for a term beginning upon the convening of the general assembly and expiring upon the convening of the following general assembly, or when the appointee’s successor is appointed, whichever occurs later.

d. Nine additional members to be appointed by the governor as follows:

(1) One member shall be selected to represent private colleges and universities located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person nominated or recommended by any organization or association of some or all private colleges and universities located in the state of Iowa.

(2) One member shall be selected to represent Iowa’s community colleges. When appointing this member, the governor shall give careful consideration to any person nominated or recommended by any organization or association of Iowa community colleges.

(3) One member shall be enrolled as a student at an institution of higher learning governed by the board of regents, a community college, or an accredited private institution.

(4) One member shall be a parent of a student enrolled at an institution of higher learning governed by the board of regents, a community college, or an accredited private institution.

(5) One member shall represent practitioners licensed under [chapter 272](#). When appointing this member, the governor shall give careful consideration to any person nominated by an Iowa teacher association or other education stakeholder organization.

(6) Four members shall represent the general public, none of whom shall be officers, board members, or trustees of an institution of higher learning or of an association of institutions of higher learning.

3. The members of the commission appointed by the governor shall serve for a term of four years. The voting members of the commission shall elect a chairperson and vice chairperson. Meetings may be called by the chairperson or a majority of the voting members.

4. a. Vacancies on the commission shall be filled for the unexpired term of such vacancies in the same manner as the original appointment.

b. A vacancy shall exist on the commission when a legislative member of the commission ceases to be a member of the general assembly, when a parent member no longer has a child

enrolled in postsecondary education, or when a student member ceases to be enrolled as a student. Such vacancy shall be filled within thirty days.

[C66, 71, 73, 75, 77, 79, 81, §261.1]

85 Acts, ch 67, §31; 85 Acts, ch 212, §21; 86 Acts, ch 1245, §2032; 89 Acts, ch 83, §37; 89 Acts, ch 300, §1; 90 Acts, ch 1223, §24; 90 Acts, ch 1253, §121, 122; 91 Acts, ch 61, §1, 2; 2000 Acts, ch 1095, §2; 2006 Acts, ch 1051, §2; 2008 Acts, ch 1107, §1 – 3; 2008 Acts, ch 1191, §134; 2010 Acts, ch 1061, §91; 2017 Acts, ch 172, §11 – 13; 2018 Acts, ch 1041, §68

Referred to in §261.8, 261B.2, 261G.2

261.2 Duties of commission.

The commission shall:

1. Prepare and administer a state plan for a state supported and administered scholarship program. The state plan shall provide for scholarships to deserving students of Iowa, matriculating in Iowa universities, colleges, community colleges, or schools of professional nursing. Eligibility of a student for receipt of a scholarship shall be based upon academic achievement and completion of advanced level courses prescribed by the commission.

2. Administer the tuition grant program under [this chapter](#).

3. Develop and implement, in cooperation with the state board of regents, an educational program and marketing strategies designed to inform parents about the options available for financing a college education and the need to accumulate the financial resources necessary to pay for a college education. The educational program shall include but not be limited to distribution of informational material to public and nonpublic elementary schools for distribution to parents and guardians of five-year and six-year old children.

4. Approve transfers from the scholarship and tuition grant reserve fund under [section 261.20](#).

5. Develop and implement, in cooperation with the judicial district departments of correctional services and the department of corrections, a program to assist criminal offenders in applying for federal and state aid available for higher education.

6. Develop and implement, in cooperation with the department of human services and the judicial branch, a program to assist juveniles who are sixteen years of age or older and who have a case permanency plan under [chapter 232](#) or [237](#) or are otherwise under the jurisdiction of [chapter 232](#) in applying for federal and state aid available for higher education.

7. a. Adopt rules to establish reasonable registration standards for the approval, pursuant to [section 261B.3A](#), of postsecondary schools that are required to register with the commission in order to operate in this state. The registration standards established by the commission shall ensure that all of the following conditions are satisfied:

(1) The courses, curriculum, and instruction offered by the postsecondary school are of such quality and content as may reasonably and adequately ensure achievement of the stated objective for which the courses, curriculum, or instruction are offered.

(2) The postsecondary school has adequate space, equipment, instructional material, and personnel to provide education and training of good quality.

(3) The educational and experience qualifications of the postsecondary school's directors, administrators, and instructors are such as may reasonably ensure that students will receive instruction consistent with the objectives of the postsecondary school's programs of study.

(4) Upon completion of training or instruction, students are given certificates, diplomas, or degrees as appropriate by the postsecondary school indicating satisfactory completion of the program.

(5) The postsecondary school is financially responsible and capable of fulfilling commitments for instruction.

b. The commission shall post an application on the commission's internet site and shall render a decision on an application for registration within one hundred eighty days of the filing of the application.

8. Submit by January 15 annually a report to the general assembly which provides, by program, the number of individuals who received loan forgiveness or loan repayment in the previous fiscal year, the amounts paid to or on behalf of individuals under [sections 261.73](#), [261.112](#), and [261.116](#), and the institutions from which individuals graduated,

and that includes any proposed statutory changes and the commission's findings and recommendations.

9. Require any postsecondary institution whose students are eligible for or who receive assistance under programs administered by the commission and who were enrolled in a school district in Iowa to include in its student management information system the unique student identifiers assigned to the institution's students while the students were in the state's kindergarten through grade twelve system.

10. Ensure that students receiving state-funded scholarships and grants are attending institutions of higher education that meet all of the following conditions:

a. The institutions are not required to register under [chapter 261B](#) or the institutions are participating resident institutions as defined in [section 261G.2](#) that volunteer to register under [section 261B.11B](#).

b. The institutions are eligible to participate in a federal student aid program authorized under Tit. IV of the federal Higher Education Act of 1965, Pub. L. No. 89-329, as amended.

11. Require any postsecondary institution whose students are eligible for or who receive financial assistance under programs administered by the commission to transmit annually to the commission information about the numbers of minority students enrolled in and minority faculty members employed at the institution. The commission shall compile and report the information collected to the general assembly, the governor, and the legislative services agency by March 1 annually.

12. Enter into and administer, or recognize, an interstate reciprocity agreement for the provision of postsecondary distance education by a postsecondary institution pursuant to [chapter 261G](#). The commission shall adopt rules establishing application procedures and criteria for the authorization of postsecondary institutions providing postsecondary distance education under interstate reciprocity agreements pursuant to [chapter 261G](#) and for the review and approval of interstate reciprocity agreements the commission may enter into or recognize pursuant to [this subsection](#) and [chapter 261G](#). The commission may accept an authorization granted by another state to a postsecondary institution under an interstate reciprocity agreement to deliver postsecondary distance education.

[C66, 71, 73, 75, 77, 79, 81, §261.2]

[83 Acts, ch 101, §60](#); [83 Acts, ch 184, §5, 11, 15](#); [88 Acts, ch 1003, §1](#); [88 Acts, ch 1261, §2](#); [88 Acts, ch 1284, §20, 21](#); [89 Acts, ch 300, §2](#); [90 Acts, ch 1253, §122](#); [90 Acts, ch 1272, §45](#); [92 Acts, ch 1231, §42](#); [92 Acts, ch 1240, §17](#); [93 Acts, ch 179, §20](#); [95 Acts, ch 70, §1](#); [98 Acts, ch 1047, §27](#); [2000 Acts, ch 1095, §3](#); [2004 Acts, ch 1145, §2](#); [2005 Acts, ch 59, §1](#); [2007 Acts, ch 214, §24](#); [2008 Acts, ch 1181, §31](#); [2009 Acts, ch 12, §1, 2](#); [2009 Acts, ch 118, §48, 54](#); [2009 Acts, ch 177, §24](#); [2010 Acts, ch 1031, §314](#); [2010 Acts, ch 1147, §8, 13](#); [2011 Acts, ch 36, §1](#); [2014 Acts, ch 1063, §1, 2](#); [2017 Acts, ch 172, §14](#); [2018 Acts, ch 1041, §69](#)

Referred to in [§232.2](#), [261.114](#), [261G.2](#)

261.3 Organization — bylaws.

1. The commission is an autonomous state agency which is attached to the department of education for organizational purposes only.

2. The commission shall determine its own organization, draw up its own bylaws, adopt rules under [chapter 17A](#), and do such other things as may be necessary and incidental in the administration of [this chapter](#), including the housing, employment, and fixing the compensation and bond of persons required to carry out its functions and responsibilities. A decision of the commission is final agency action under [chapter 17A](#).

3. The commission shall function at the seat of government or such other place as it might designate.

[C66, 71, 73, 75, 77, 79, 81, §261.3]

[86 Acts, ch 1245, §1454](#); [2017 Acts, ch 54, §76](#)

261.4 Funds — compensation and expenses of commission.

The director of the department of administrative services shall keep an accounting of all funds received and expended by the commission. The members of the commission, except those members who are employees of the state, shall be paid a per diem as specified in

section 7E.6 and shall be reimbursed for actual and necessary expenses. All per diem and expense moneys paid to nonlegislative members shall be paid from funds appropriated to the commission. Legislative members of the commission shall receive payment pursuant to section 2.10 and section 2.12.

[C66, 71, 73, 75, 77, 79, 81, §261.4]

90 Acts, ch 1256, §44; 2003 Acts, ch 145, §286

261.5 Response to national emergency — waiver authority.

1. For purposes of this section, unless the context otherwise requires:

a. “Active duty” means “active duty” as defined in 10 U.S.C. §101(d)(1), except that the term does not include active duty for training or attendance at a service school.

b. “Affected individual” means an individual who is serving on active duty during the national emergency; or who resides or is employed in an area that is declared a disaster area by any federal, state, or local official in connection with the national emergency; or who suffered direct economic hardship as a result of the national emergency, as determined under a waiver or modification issued pursuant to this section.

c. “Serving on active duty during the national emergency” means any of the following individuals:

(1) A reserve of an armed force ordered to active duty under 10 U.S.C. §12301(a), 12301(g), 12302, 12304, or 12306, or any retired member of an armed force ordered to active duty under 10 U.S.C. §688, as amended, for service in connection with the emergency or subsequent actions or conditions, regardless of the location at which the active duty service is performed.

(2) Any other member of an armed force on active duty in connection with the emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which the member is normally assigned.

2. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may waive or modify any statutory or regulatory provision applicable to state financial aid programs established pursuant to this chapter to ensure, with regard to affected individuals, that the following occurs:

a. The financial positions of affected individuals who are state student loan borrowers are not worsened in relation to those loans because of their status as affected individuals.

b. Administrative requirements placed on state student loan borrowers are minimized, to the extent possible, without impairing the integrity of the student loan programs, to ease the burden on these borrowers and to avoid inadvertent technical violations or defaults.

c. The calculation of “annual adjusted family income” and “available income”, as used in the determination of need for student financial assistance under 20 U.S.C. §1070 et seq., for affected individuals, or if applicable, for the spouses or dependents of affected individuals, may be modified to mean the sums received in the first calendar year of the award year for which the determination is made, in order to reflect more accurately the financial condition of the affected individuals or their families.

3. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may grant temporary relief from requirements rendered infeasible or unreasonable, including due diligence requirements and reporting deadlines, by the national emergency, to an institution of higher education under the state board of regents, a community college, an accredited private institution as defined in section 261.9, eligible lenders, and other entities participating in the state student assistance programs in accordance with this chapter, that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any federal, state, or local official in connection with the national emergency. If the commission issues a waiver in accordance with this section, the report prepared by the commission pursuant to section 17A.9A, subsection 5, shall include examples of measures that a postsecondary institution may take in the appropriate exercise of discretion, as provided in 20 U.S.C. §1087tt, to adjust financial need and aid eligibility determinations for affected individuals.

4. [This section](#) shall not be construed as a requirement that the commission exercise the waiver or modification authority provided pursuant to [this section](#) on a case-by-case basis.
[2002 Acts, ch 1036, §1, 2](#)

261.6 All Iowa opportunity foster care grant program. Repealed by 2017 Acts, ch 172, §43.

261.7 Textbook notice — legislative intent and recommendation.

1. In order to promote consumer choice and lower the costs of textbooks in higher education, the general assembly intends that students enrolled in institutions of higher learning have access to appropriate textbook information prior to the start of classes, with adequate time to pursue alternative purchase avenues.

2. The general assembly recommends that every public and private institution of higher education in this state, including those institutions referenced in [chapters 260C](#) and [262](#) and [section 261.9](#), post the list of required and suggested textbooks for all courses and the corresponding international standard book numbers for such textbooks at least fourteen days before the start of each semester or term, to the extent possible, at the locations where textbooks are sold on campus and on the internet site for the respective institution of higher education.

3. The college student aid commission is directed to convey the legislative intent and recommendation contained in [this section](#) to every institution of higher education in the state registered pursuant to [chapter 261B](#) at least once a year.

[2008 Acts, ch 1146, §1; 2008 Acts, ch 1191, §125; 2013 Acts, ch 90, §257](#)

261.8 Corporation for educational financial assistance, services, and research.

1. *Nonprofit corporation for receiving and disbursing funds.* The commission may organize a nonprofit corporation under the provisions of [chapter 504](#) that qualifies under section 501(c)(3) of the Internal Revenue Code as an organization exempt from taxation for the purpose of receiving and disbursing moneys from public or private sources to be used to provide Iowans with educational financial assistance, services to increase access to and success in postsecondary education, and research. Unless otherwise provided in this section, the corporation is subject to the provisions of [chapter 504](#).

2. *Incorporators.* The incorporators of the corporation organized pursuant to this section shall be the chairperson of the commission, the executive director of the commission, and a member of the commission selected by a majority vote of the commission.

3. *Board of directors.* The board of directors of the corporation organized pursuant to this section shall be the members of the commission appointed under [section 261.1, subsection 2](#), paragraphs “a”, “b”, and “d”, or their successors in office, and may include up to two additional members who shall be appointed by the commission and who shall have experience or legal and technical expertise relating to nonprofit organizations.

4. *Accepting grants in aid.* The corporation organized pursuant to this section may accept grants of money or property from the federal government or private sources and may upon its own order use its money, property, or other resources for the purposes set forth in [subsection 1](#).

5. *Open meetings and open records.* The corporation is subject to [chapters 21](#) and [22](#) as if the corporation were a governmental body.

6. *Status.* The corporation shall collaborate with the commission for the purposes specified in this section, but the corporation shall not be considered, in whole or in part, an agency, department, or administrative unit of the state. The corporation shall not receive appropriations from the general assembly. Except as provided in [subsection 5](#), the corporation shall not be required to comply with any requirements that apply to a state agency, department, or administrative unit and shall not exercise any sovereign power of the state. The commission shall enter into an agreement under [chapter 28E](#) with the corporation to stipulate the powers and responsibilities of the corporation and the commission for purposes of this section. The corporation may enter into agreements with other entities as necessary to fulfill the provisions of this section.

7. *No state liability.* The corporation does not have authority to pledge the credit of the state, and the state shall not be liable for the debts or obligations of the corporation. All debts and obligations of the corporation shall be payable solely from the corporation's funds.

8. *Tax deductible.* The corporation shall be established so that donations and bequests to the corporation qualify as tax deductible under state income tax laws and under section 501(c)(3) of the Internal Revenue Code.

9. *Staffing and administrative support.* The commission shall provide staff assistance and administrative support to the corporation.

10. *Report.* The corporation shall submit by January 15 annually a written report of its activities and operations to the governor, the general assembly, and the commission.

2021 Acts, ch 24, §1

NEW section

SUBCHAPTER II

TUITION GRANTS TO STUDENTS

PART 1

IOWA TUITION GRANTS

261.9 Definitions.

When used in [this subchapter](#), unless the context otherwise requires:

1. *“Accredited private 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 and which meets the criteria in paragraphs “a” and “b” and all of the criteria in paragraphs “d” through “i”, except that institutions defined in paragraph “c” of [this subsection](#) are exempt from the requirements of paragraphs “a” and “b”:

a. Is accredited by the higher learning commission.

b. Is accredited by the higher learning commission, is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and annually provides a matching aggregate amount of institutional financial aid equal to at least seventy-five percent of the amount received in a fiscal year by the institution's students for Iowa tuition grant assistance under [this chapter](#). Commencing with the fiscal year beginning July 1, 2006, the matching aggregate amount of institutional financial aid shall increase by the percentage of increase each fiscal year of funds appropriated for Iowa tuition grants under [section 261.25, subsection 1](#), to a maximum match of one hundred percent. The institution shall file annual reports with the commission prior to receipt of tuition grant moneys under [this chapter](#). An institution whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant money in the fiscal year beginning July 1, 2003, shall meet the match requirements of this paragraph no later than June 30, 2005.

c. Is a specialized college that is accredited by the higher learning commission, and which offers health professional programs that are affiliated with health care systems located in Iowa.

d. Promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution and provides information regarding such efforts to the commission upon request.

e. Adopts a policy that prohibits unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by the institution or in conjunction with activities sponsored by the institution. Each institution shall provide information about the policy to all students and employees. The policy shall include a clear statement of sanctions for violation of the policy and information about available drug or alcohol counseling and rehabilitation programs. In carrying out this policy, an institution shall provide substance abuse prevention programs for students and employees.

f. Develops and implements a written policy, which is disseminated during student registration or orientation, addressing the following four areas relating to sexual abuse:

- (1) Counseling.
- (2) Campus security.
- (3) Education, including prevention, protection, and the rights and duties of students and employees of the institution.
- (4) Facilitating the accurate and prompt reporting of sexual abuse to the duly constituted law enforcement authorities.

g. (1) Adopts a policy to offer not less than the following options to a student who is a member, or the spouse of a member if the member has a dependent child, of the Iowa national guard or reserve forces of the United States and who is ordered to national guard duty or federal active duty:

(a) Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.

(b) Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

(c) Make arrangements with only some of the student's instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

(2) As used in this lettered paragraph, "*dependent child*" means the same as defined in [section 260C.14, subsection 14](#), paragraph "b", subparagraph (2), subparagraph division (a).

h. Develops and implements a consistent written policy for an employee who in the scope of the person's employment responsibilities examines, attends, counsels, or treats a child to report suspected physical or sexual abuse. The policy shall include an employee's reporting responsibilities. The reporting responsibilities shall designate the time, circumstances, and method for reporting suspected child abuse to the accredited private institution's administration and reporting to law enforcement. Nothing in the policy shall prohibit an employee from reporting suspected child abuse in good faith to law enforcement.

i. (1) Adopts a policy to require that the institution shall annually, beginning December 15, 2015, file a report with the governor and the general assembly providing information and statistics for the previous five academic years on the number of students per year who are veterans who received education credit for military education, training, and service, that number as a percentage of veterans known to be enrolled at the institution, the average number of credits received by students, and the average number of credits applied towards the award or completion of a course of instruction, postsecondary diploma, degree, or other evidences of distinction.

(2) For purposes of this paragraph, "*veteran*" means a veteran as defined in [section 35.1](#) or a member of the reserve forces of the United States or the national guard as defined in [section 29A.1](#) who has served at least one year of the member's commitment and is eligible for or has exhausted federal veterans education benefits under 38 U.S.C. ch. 30, 32, 33, or 36 or 10 U.S.C. ch. 1606 or 1607, respectively.

2. "*Commission*" means the college student aid commission.

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 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 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 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 paragraph “a”.

4. “*Financial need*” means the difference between the student’s financial resources available, including those available from the student’s parents as determined by a completed parents’ confidential statement, and the student’s anticipated expenses while attending the accredited private institution. Financial need shall be redetermined at least annually.

5. “*Full-time resident student*” means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least twelve semester hours or the trimester equivalent of twelve semester hours. “*Course of study*” does not include correspondence courses.

6. “*Part-time resident student*” means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours. “*Course of study*” does not include correspondence courses.

7. “*Qualified student*” means a resident student who has established financial need and who is making satisfactory progress toward graduation.

8. “*Tuition grant*” means an award by the state of Iowa to a qualified student under [this subchapter](#).

[C71, 73, 75, 77, 79, 81, §261.9]

[87 Acts, ch 233, §455](#); [88 Acts, ch 1284, §22 – 24](#); [89 Acts, ch 319, §42](#); [90 Acts, ch 1253, §122](#); [90 Acts, ch 1272, §48](#); [91 Acts, ch 180, §1](#); [92 Acts, ch 1106, §1, 4](#); [2000 Acts, ch 1095, §4 – 11](#); [2001 Acts, ch 24, §42](#); [2001 Acts, ch 39, §2](#); [2003 Acts, ch 179, §113, 114](#); [2004 Acts, ch 1086, §56](#); [2004 Acts, ch 1175, §237, 238](#); [2005 Acts, ch 169, §25](#); [2010 Acts, ch 1169, §4](#); [2011 Acts, ch 36, §3](#); [2012 Acts, ch 1040, §4, 5](#); [2012 Acts, ch 1072, §35](#); [2014 Acts, ch 1013, §16](#); [2014 Acts, ch 1061, §3](#); [2014 Acts, ch 1116, §31, 32](#); [2015 Acts, ch 8, §2](#); [2017 Acts, ch 54, §76](#); [2017 Acts, ch 170, §36](#); [2017 Acts, ch 172, §15](#); [2018 Acts, ch 1026, §80](#)

Referred to in [§256.7](#), [256.28](#), [261.5](#), [261.7](#), [261.16A](#), [261.25](#), [261.71](#), [261.83](#), [261.86](#), [261.102](#), [261.111](#), [261.114](#), [261.115](#), [261.131](#), [261.132](#), [261B.11](#), [261E.2](#), [261G.2](#), [714.19](#)

261.10 Who qualified.

A tuition grant may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an accredited private institution and who establishes financial need.

[C71, 73, 75, 77, 79, 81, §261.10]

[88 Acts, ch 1284, §25](#)

261.11 Extent of grant.

A qualified full-time resident student may receive tuition grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent. A qualified part-time resident student may receive tuition grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

[C71, 73, 75, 77, 79, 81, §261.11]

[88 Acts, ch 1284, §26](#)

261.12 Amount of grant.

1. The amount of a tuition grant to a qualified full-time student for the fall and spring semesters, or the trimester equivalent, shall be the amount of the student's financial need for that period. However, a tuition grant shall not exceed the lesser of:

a. The total tuition and mandatory fees for that student for two semesters or the trimester or quarter equivalent, less the base amount determined annually by the college student aid commission, which base amount shall be within ten dollars of the average tuition for two semesters or the trimester equivalent of undergraduate study at the state universities under the board of regents, but in any event the base amount shall not be less than four hundred dollars; or

b. For the fiscal year beginning July 1, 2017, and for each succeeding fiscal year, an amount equivalent to the average resident tuition and mandatory fees for two semesters or the equivalent of undergraduate study at the institutions of higher learning governed by the state board of regents.

2. The amount of a tuition grant to a qualified full-time student for the summer semester or trimester equivalent shall be one-half the amount of the tuition grant the student receives under [subsection 1](#).

3. The amount of a tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours for the fall, spring, and summer semesters, or the trimester or quarter equivalent, shall be equal to the amount of a tuition grant that would be paid to a full-time student times a number which represents the number of hours in which the part-time student is actually enrolled divided by twelve semester hours, or the trimester or quarter equivalent.

[C71, 73, 75, 77, 79, 81, §261.12]

[83 Acts, ch 197, §13](#); [84 Acts, ch 1302, §16](#); [85 Acts, ch 263, §16](#); [88 Acts, ch 1284, §27](#); [89 Acts, ch 300, §3](#); [89 Acts, ch 319, §43](#); [90 Acts, ch 1253, §122](#); [90 Acts, ch 1272, §49](#); [91 Acts, ch 10, §1](#); [91 Acts, ch 258, §39](#); [95 Acts, ch 218, §21](#); [96 Acts, ch 1215, §36](#); [96 Acts, ch 1219, §4, 5](#); [97 Acts, ch 212, §25](#); [98 Acts, ch 1215, §33](#); [99 Acts, ch 205, §28](#); [2000 Acts, ch 1223, §26](#); [2013 Acts, ch 140, §151](#); [2015 Acts, ch 140, §46, 58, 59](#); [2017 Acts, ch 172, §16](#)

261.13 Annual grant.

A tuition grant may be made annually for the fall, spring, and summer semesters or the trimester equivalent. Payments under the grant shall be allocated equally among the semesters or trimesters and shall be paid at the beginning of each semester or trimester upon certification by the accredited private institution that the student is admitted and in attendance. If the student discontinues attendance before the end of any semester or trimester after receiving payment under the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the accredited private institution to the state.

[C71, 73, 75, 77, 79, 81, §261.13]

[96 Acts, ch 1219, §6](#)

261.14 Other aid considered.

If a student receives financial aid under any other program the full amount of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period. In no case may the state's total financial contribution to the student's education, including financial aid under any other state program, exceed the tuition and mandatory fees at the institution which the student attends.

[C71, 73, 75, 77, 79, 81, §261.14]

261.15 Administration by commission — rules.

The commission shall administer this program and shall:

1. Provide application forms and parents' confidential statement forms.
2. Adopt rules and regulations for determining financial need, defining tuition and mandatory fees, defining residence for the purposes of [this subchapter](#), processing and approving applications for tuition grants, and determining priority of grants. The

commission may provide for proration of funds if the available funds are insufficient to pay all approved grants. Such proration shall take primary account of the financial need of the applicant. In determining who is a resident of Iowa, the commission's rules shall be at least as restrictive as those of the board of regents.

3. Approve and award tuition grants.

4. Make an annual report to the governor and general assembly, and evaluate the tuition grant program for the period. The commission may require the accredited private institution to promptly furnish any information which the commission may request in connection with the tuition grant program.

[C71, 73, 75, 77, 79, 81, §261.15]

[2017 Acts, ch 54, §76](#)

Referred to in [§261.16A](#)

261.16 Application for grants.

Each applicant, in accordance with the rules and regulations of the commission, shall:

1. Complete and file an application for a tuition grant.

2. Be responsible for the submission of the parents' confidential statement for processing, the processed information to be returned both to the commission and to the college in which the applicant is enrolling.

3. Report promptly to the commission any information requested.

4. File a new application and parents' confidential statement annually on the basis of which the applicant's eligibility for a renewed tuition grant will be evaluated and determined.

[C71, 73, 75, 77, 79, 81, §261.16]

Referred to in [§261.16A](#)

261.16A Iowa tuition grants — for-profit institutions.

1. *Students qualified.* A tuition grant from moneys appropriated under [section 261.25, subsection 2](#), may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an eligible institution and who establishes financial need.

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.

3. *Amount of grant.*

a. The amount of a tuition grant to a qualified full-time student for the fall and spring semesters, or the equivalent, shall be the amount of the student's financial need for that period. However, a tuition grant shall not exceed six thousand dollars.

b. The amount of a tuition grant to a qualified full-time student for the summer semester or equivalent shall be one-half the amount of the tuition grant the student receives under paragraph "a".

c. The amount of a tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours for the fall, spring, and summer semesters, or the equivalent, shall be equal to the amount of a tuition grant that would be paid to a full-time student times a number which represents the number of hours in which the part-time student is actually enrolled divided by twelve semester hours, or the equivalent.

d. If a qualified student receives financial aid under any other program, the full amount

of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period. In no case may the state's total financial contribution to the student's education, including financial aid under any other state or federal program, exceed the tuition and mandatory fees at the eligible institution the student attends.

4. *Grant payments — attendance discontinued.*

a. Payments under the tuition grant shall be allocated equally among the semesters or the equivalent and shall be paid at the beginning of each semester or equivalent upon certification by the eligible institution that the student is admitted and in full-time or part-time attendance in a course of study.

b. If the student discontinues attendance before the end of any semester, or the equivalent, after receiving payment under the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the eligible institution to the state.

5. *Commission responsibilities.* The commission's responsibilities for administering tuition grants under [this section](#) shall be the same as provided under [section 261.15](#). The commission may require an eligible institution to promptly furnish any information which the commission may request in connection with the tuition grant program.

6. *Grant applications.* Each applicant for a tuition grant under [this section](#) shall meet the requirements of [section 261.16](#).

7. *Reports to commission.* An eligible institution shall file annual reports with the commission, as required by the commission and under [section 261.9](#), prior to receipt of tuition grant moneys under [this chapter](#).

[2017 Acts, ch 172, §17](#)

Referred to in [§261.9](#)

PART 2

VOCATIONAL-TECHNICAL TUITION GRANTS

261.17 Vocational-technical tuition grants.

1. A vocational-technical tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time or part-time student in a vocational-technical or career option program at a community college in the state, and who establishes financial need.

2. All classes, including liberal arts classes, identified by the community college as required for completion of the student's vocational-technical or career option program shall be considered a part of the student's vocational-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding [subsection 3](#), if a student is making satisfactory academic progress but the student cannot complete a vocational-technical or career option program in the time frame allowed for a student to receive a vocational-technical tuition grant as provided in [subsection 3](#) because additional classes are required to complete the program, the student may continue to receive a vocational-technical tuition grant for not more than one additional enrollment period.

3. a. A qualified full-time student may receive vocational-technical tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive vocational-technical tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

b. 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.

4. a. The amount of a vocational-technical tuition grant to a qualified full-time student

shall not exceed the lesser of one thousand two hundred dollars per year or the amount of the student's established financial need.

b. The amount of a vocational-technical tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent shall be equal to the amount of a vocational-technical tuition grant that would be paid to a full-time student, except that the commission shall prorate the amount in a manner consistent with the federal Pell grant program proration.

5. A vocational-technical tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the institution that the student is in full-time or part-time attendance in a vocational-technical or career option program, as defined under rules of the department of education. If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the institution to the state.

6. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

7. The commission shall administer this program and shall:

a. Provide application forms for distribution to students by Iowa high schools and community colleges.

b. Adopt rules for determining financial need, defining residence for the purposes of [this section](#), processing and approving applications for grants and determining priority for grants.

c. Approve and award grants on an annual basis.

d. Make an annual report to the governor and general assembly.

8. Each applicant, in accordance with the rules established by the commission, shall:

a. Complete and file an application for a vocational-technical tuition grant.

b. Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

c. Report promptly to the commission any information requested.

d. Submit a new application and financial statement for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

[C75, 77, 79, 81, §261.17]

83 Acts, ch 197, §14; 87 Acts, ch 233, §456; 89 Acts, ch 319, §44; 90 Acts, ch 1253, §120; 90 Acts, ch 1272, §50; 97 Acts, ch 212, §26; 98 Acts, ch 1215, §34, 35; 99 Acts, ch 205, §29, 30; 2001 Acts, 2nd Ex, ch 6, §20, 37; 2002 Acts, ch 1014, §1; 2010 Acts, ch 1061, §180

261.17A Iowa hope loan program. Repealed by 2014 Acts, ch 1141, §27.

261.18 Reserved.

261.19 Health care professional recruitment program. Transferred to [§261.115](#); 2014 Acts, ch 1061, §16.

261.19A Osteopathic forgivable loan program. Repealed by 97 Acts, ch 134, §2.

261.19B Osteopathic physician recruitment revolving fund. Repealed by 2011 Acts, ch 132, §27, 106.

PART 3

ADMINISTRATION

261.20 Scholarship and tuition grant reserve fund.

1. A scholarship and tuition grant reserve fund is created to assure that financial

assistance will be available to all students who are awarded scholarships or tuition grants through programs funded under [this chapter](#). The fund is created as a separate fund in the state treasury, and moneys in the fund shall not revert to the general fund unless, and then only to the extent that, the funds exceed the maximum allowed balance.

2. The maximum balance of the scholarship and tuition grant reserve fund is an amount equal to two percent of the funds appropriated to the scholarship and tuition grant programs under [section 261.25](#) during the preceding fiscal year. The moneys in the fund shall be placed in separate accounts within the fund, according to the source and purpose of the original appropriation. Moneys in the various accounts shall only be used to alleviate a current fiscal year shortfall in appropriations for scholarship or tuition grant programs that have the same nature as the programs for which the moneys were originally appropriated. At the conclusion of a fiscal year, any surplus appropriations made to the commission for scholarship or tuition grant programs are appropriated to the scholarship and grant reserve fund in an amount equal to the amount of the surplus or the amount necessary to achieve the maximum balance, whichever amount is less.

3. Transfers of moneys from the scholarship and tuition grant reserve fund to appropriation accounts in which there is a current fiscal year shortfall may be made only with the prior written approval of the governor. At least two weeks before moneys are transferred from the fund, the commission shall notify the chairpersons of the standing appropriations committees of the general assembly and the co-chairpersons of the education appropriations subcommittee of the proposed transfer. The notice shall include information concerning the amount of and reason for the proposed transfer. The chairpersons shall be given at least two weeks to review and comment on the proposed transfer before the transfer can be made.

4. The commission shall annually report to the general assembly the methodology and manner in which the commission makes the determination of awards for programs for which funds are appropriated under [section 261.25](#).

[89 Acts, ch 300, §4; 2020 Acts, ch 1121, §8](#)

Referred to in [§261.2](#)

261.21 National guard tuition aid program. Repealed by 99 Acts, ch 205, §47.

261.22 Accelerated career education grants. Repealed by 2014 Acts, ch 1141, §27.

261.23 Registered nurse and nurse educator loan forgiveness program. Transferred to [§261.116; 2014 Acts, ch 1061, §16](#).

261.24 Iowa state fair scholarship. Transferred to [§261.62; 2014 Acts, ch 1061, §16](#).

261.25 Appropriations — standing limited.

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of forty-eight million eight hundred ninety-six thousand fifty dollars for tuition grants to qualified students who are enrolled in accredited private institutions.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of four hundred fifty-six thousand two hundred twenty 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”.

3. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of one million seven hundred fifty thousand one hundred eighty-five dollars for vocational-technical tuition grants.

4. [This section](#) shall not be construed to be a limitation on any of the amounts which may be appropriated by the general assembly for any program enumerated in [this section](#).

[C77, 79, 81, §261.25]

[83 Acts, ch 197, §15; 85 Acts, ch 263, §17; 87 Acts, ch 233, §458; 88 Acts, ch 1003, §2; 88 Acts, ch 1284, §13, 28; 89 Acts, ch 319, §47, 48; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §54;](#)

91 Acts, ch 180, §3; 91 Acts, ch 260, §908; 91 Acts, ch 267, §218; 92 Acts, ch 1246, §30; 93 Acts, ch 179, §21; 94 Acts, ch 1193, §19, 20; 95 Acts, ch 218, §22; 96 Acts, ch 1215, §38; 97 Acts, ch 212, §27; 98 Acts, ch 1215, §37, 38; 99 Acts, ch 205, §31, 32; 2000 Acts, ch 1095, §14; 2000 Acts, ch 1223, §28; 2002 Acts, ch 1171, §85; 2002 Acts, 2nd Ex, ch 1003, §93, 95; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 182, §13; 2004 Acts, ch 1175, §93; 2005 Acts, ch 169, §26, 27; 2006 Acts, ch 1180, §18, 19; 2006 Acts, ch 1182, §43; 2007 Acts, ch 214, §27; 2008 Acts, ch 1181, §33; 2009 Acts, ch 177, §27; 2010 Acts, ch 1183, §23, 24, 43; 2011 Acts, ch 36, §4; 2011 Acts, ch 132, §13, 106; 2012 Acts, ch 1132, §11; 2017 Acts, ch 172, §18, 19; 2018 Acts, ch 1163, §13; 2019 Acts, ch 135, §13; 2021 Acts, ch 170, §16

Referred to in §261.9, 261.16A, 261.20
Subsections 1 and 2 amended

261.26 through 261.34 Reserved.

SUBCHAPTER III

IOWA GUARANTEED LOAN PROGRAM

261.35 Definitions.

As used in [this subchapter](#), unless the context otherwise requires:

1. “*Commission*” means the college student aid commission of the state of Iowa.
2. “*Eligible borrower*” means a person, or the parent of a person, who is enrolled or will be enrolled at an eligible institution. All eligible borrowers must meet the eligibility requirements established by the commission.
3. “*Eligible institution*” means any postsecondary educational institution which meets the requirements of the provisions of the Higher Education Act of 1965 for student participation in the federal interest subsidy program and the requirements prescribed by rule of the commission.
4. “*Eligible lender*” means a financial or credit institution, insurance company or other approved lender which meets the standards prescribed by the commission and has executed a lender participation agreement with the commission.
5. “*Higher Education Act of 1965*” means the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. §1071 et seq.

[C79, 81, §261.35; 81 Acts, ch 8, §12, ch 85, §1]

86 Acts, ch 1246, §25; 89 Acts, ch 300, §5; 90 Acts, ch 1253, §122; 2006 Acts, ch 1180, §20; 2017 Acts, ch 54, §76

Referred to in §261.62

261.36 Powers.

The commission shall have necessary powers to carry out its purposes and duties under [this subchapter](#), including but not limited to the power to:

1. Sue and be sued in its own name.
2. Incur and discharge debts including the payment of any defaulted loan obligations which have been guaranteed by the commission.
3. Make and execute agreements, contracts, and other instruments with any public or private person or agency including the United States secretary of education.
4. Guarantee loans made by eligible lenders to eligible borrowers who are, or whose children are, enrolled or will be enrolled at eligible institutions as at least half-time students as defined by the commission.
5. Approve educational institutions as eligible institutions upon their meeting the requirements established by the commission.
6. Approve financial or credit institutions, insurance companies, or other lenders as eligible lenders upon their meeting the standards established by the commission for making guaranteed loans.
7. Accept appropriations, gifts, grants, loans, or other aid from public or private persons or agencies including the United States secretary of education.

8. Implement various means of encouraging maximum lender participation in the Iowa guaranteed loan program.

[C71, 73, 75, 77, §261.5, 261.6; C79, 81, §261.36; 81 Acts, ch 8, §13]

83 Acts, ch 101, §61; 89 Acts, ch 300, §26; 90 Acts, ch 1168, §36; 2017 Acts, ch 54, §76; 2019 Acts, ch 24, §31

261.37 Duties.

The duties of the commission under [this subchapter](#) shall be as follows:

1. To review the Iowa guaranteed loan program.
2. To review and make disposition of all applications for the guarantee of student loans.
3. Collect an insurance premium of not more than the amount authorized by the federal Higher Education Act of 1965. The premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.
4. To enter into all necessary agreements with the United States secretary of education as required for the purpose of receiving full benefit of the state program incentives offered pursuant to the Higher Education Act of 1965.
5. To adopt rules pursuant to [chapter 17A](#) to implement the provisions of [this subchapter](#) including establishing standards for educational institutions, lenders, and individuals to become eligible institutions, lenders, and borrowers. Notwithstanding any contrary provisions in [chapter 537](#), the rules and standards established shall be consistent with the requirements provided in the Higher Education Act of 1965.
6. To reimburse eligible lenders for the amount authorized by the federal Higher Education Act of 1965 on defaulted loans guaranteed by the commission upon receipt of written notice of the default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.
7. To establish an effective system for the collection of delinquent loans, including the adoption of an agreement with the department of administrative services to set off against a defaulter's income tax refund or rebate the amount that is due because of a default on a loan made under [this subchapter](#). The commission shall adopt rules under [chapter 17A](#) necessary to assist the department of administrative services in the implementation of the student loan setoff program as established under [section 8A.504](#). The commission shall apply administrative wage garnishment procedures authorized under the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. §1071 et seq., for all delinquent loans, including loans authorized under [section 261.38](#), when a defaulter who is financially capable of paying fails to voluntarily enter into a reasonable payment agreement. In no case shall the commission garnish more than the amount authorized by federal law for all loans being collected by the commission, including those authorized under [section 261.38](#).
8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and borrowers. The commission shall provide applicants, as deemed necessary by the commission, with information about the past default rates of borrowers, enrollment, and placement statistics by postsecondary institution.
9. To develop all forms necessary to the proper administration of the guaranteed student loan program and provide supplies of such forms to participating lenders and postsecondary institutions.
10. To report annually to the governor and the general assembly on the status of the guaranteed student loan program.
11. To implement all possible assistance to eligible lenders for the purpose of easing the workload entailed in participation in the guaranteed student loan program.

[C79, 81, §261.37; 81 Acts, ch 8, §14; 82 Acts, ch 1057, §1]

83 Acts, ch 101, §62; 87 Acts, ch 233, §459; 88 Acts, ch 1284, §29; 89 Acts, ch 300, §6; 90 Acts, ch 1168, §37; 96 Acts, ch 1158, §1; 2003 Acts, ch 145, §228; 2004 Acts, ch 1145, §3; 2014 Acts, ch 1061, §4; 2017 Acts, ch 54, §76

For future amendment to subsection 7 effective upon the later of January 1, 2021, or the effective date of rules adopted by the department of revenue to implement 2020 Acts, ch 1064, see 2020 Acts, ch 1064, §12, 28; 2020 Acts, ch 1118, §73, 74

261.38 Agency operating account.

1. The commission shall establish an agency operating account as authorized by the federal Higher Education Act of 1965. The commission shall credit to the agency operating account all moneys provided for the state student loan program by the United States, the state of Iowa, or any of their agencies, departments, or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses. The commission may expend moneys in the agency operating account as authorized by the federal Higher Education Act of 1965.

2. Notwithstanding [section 8.33](#), funds on deposit in the agency operating account shall not revert to the state general fund at the close of any fiscal year.

3. The treasurer of state shall invest any funds in the agency operating account, and, notwithstanding [section 12C.7](#), the interest income earned shall be credited back to the agency operating account.

4. a. The commission may enter into agreements with the Iowa student loan liquidity corporation in order to increase access for students to education loan programs that the commission determines meet the education needs of Iowa residents. The agreements shall permit the establishment, funding, and operation of alternative education loan programs, as described in section 144(b)(1)(B) of the Internal Revenue Code of 1986 as amended, as defined in [section 422.3](#), in addition to programs permitted under the federal Higher Education Act of 1965. In accordance with those agreements, the Iowa student loan liquidity corporation may issue bonds, notes, or other obligations to the public and others for the purpose of funding the alternative education loan programs. This authority to issue bonds, notes, or other obligations shall be in addition to the authority established in the articles of incorporation and bylaws of the Iowa student loan liquidity corporation.

b. Bonds, notes, or other obligations issued by the Iowa student loan liquidity corporation are not an obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitations, but are special obligations of the Iowa student loan liquidity corporation, and the corporation shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any of the moneys except those of the corporation.

[C71, 73, 75, 77, §261.5, 261.8; C79, 81, §261.38]

[86 Acts, ch 1246, §26, 27; 89 Acts, ch 300, §7; 90 Acts, ch 1253, §122; 91 Acts, ch 180, §4, 5; 92 Acts, ch 1246, §31; 99 Acts, ch 205, §33 – 37; 2010 Acts, ch 1061, §180; 2014 Acts, ch 1061, §5, 6](#)

Referred to in [§261.37](#)

261.39 Transfer of funds and assets. Repealed by 2014 Acts, ch 1141, §27.

261.40 Reserved.

261.41 Account dissolved — balance to general fund. Repealed by 2014 Acts, ch 1141, §27.

261.42 Short title.

[This subchapter](#) shall be known and may be cited as the “*Iowa Guaranteed Loan Program*”.

[C79, 81, §261.42]

[89 Acts, ch 300, §8; 90 Acts, ch 1168, §39; 2017 Acts, ch 54, §76](#)

261.43 Actions not barred.

No lapse of time shall be a bar to any action to recover on any loan guaranteed by the commission.

[89 Acts, ch 300, §9](#)

261.43A Security interest in education loans.

A nonprofit organization qualifying for tax-exempt status under the Internal Revenue Code, as defined in [section 422.3](#), that provides or acquires education loans in the

organization's normal course of business shall, notwithstanding any contrary provision of [chapter 554](#) or other state law, establish and perfect a security interest and establish priority over other security interests in such education loans by filing in the same manner as provided for perfecting a security interest in a student loan pursuant to 20 U.S.C. §1082(m)(1)(E). [This section](#) applies to education loans provided under [this chapter](#) by such nonprofit organizations and other education loans provided by such nonprofit organizations.

[2002 Acts, ch 1021, §1](#)

SUBCHAPTER IV

LOAN PAYMENT AND REPAYMENT PROGRAMS

261.44 Guaranteed loan payment program. Repealed by 2014 Acts, ch 1141, §27.

261.45 through 261.47 Reserved.

261.48 Minority teacher loan payments. Repealed by 2014 Acts, ch 1141, §27.

261.49 through 261.53 Reserved.

261.54 Repayment of science and mathematics loans. Repealed by 2014 Acts, ch 1141, §27.

261.55 through 261.60 Reserved.

SUBCHAPTER V

BARBER AND COSMETOLOGY ARTS AND SCIENCES TUITION GRANT PROGRAM

261.61 Barber and cosmetology arts and sciences tuition grant program. Repealed by 2017 Acts, ch 172, §43. See [§261.16A](#).

SUBCHAPTER VI

IOWA STATE FAIR SCHOLARSHIP

261.62 Iowa state fair scholarship.

The Iowa state fair scholarship fund is established in the office of treasurer of state to be administered by the commission. The commission shall adopt rules pursuant to [chapter 17A](#) for the administration of [this section](#). The rules shall provide, at a minimum, that only residents of Iowa who have actively participated in the Iowa state fair and graduated from an accredited secondary school in Iowa shall be eligible to receive an Iowa state fair scholarship for matriculation at an eligible institution as defined in [section 261.35](#). Notwithstanding [section 12C.7](#), interest earned on money in the Iowa state fair scholarship fund shall be deposited into the fund and may be used by the commission only for Iowa state fair scholarship awards.

[98 Acts, ch 1215, §36, 63](#)

[C99, §261.24](#)

[2014 Acts, ch 1061, §16](#)

[C2015, §261.62](#)

261.63 through 261.70 Reserved.

SUBCHAPTER VII

CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

261.71 Chiropractic graduate student forgivable loans.

1. A chiropractic graduate student forgivable loan program is established, to be administered by the college student aid commission for resident graduate students who are enrolled at Iowa chiropractic colleges and universities. A resident graduate student attending an Iowa chiropractic college or university is eligible for loan forgiveness under the program if the student meets all of the following conditions:

- a. The student graduates from an Iowa chiropractic college or university that meets the requirements for approval under [section 151.4](#).
- b. The student has completed a chiropractic residency program.
- c. The student agrees to practice in an underserved area in the state of Iowa for a period of time to be determined by the commission at the time the loan is awarded.
- d. The student has received a loan from moneys appropriated to the college student aid commission for this program.

2. The contract for the loan repayment shall stipulate the time period the chiropractor shall practice in an underserved area in this state. In addition, the contract shall stipulate that the chiropractor repay any funds paid on the chiropractor's loan by the commission if the chiropractor fails to practice in an underserved area in this state for the required period of time. Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has graduated. A loan that has not been forgiven may be sold to a bank, savings association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. §1071 et seq., by the commission when the loan becomes due for repayment.

3. For purposes of [this section](#) "graduate student" means a student who has completed at least ninety semester hours, or the trimester or quarter equivalent, of postsecondary course work at a public higher education institution or at an accredited private institution, as defined under [section 261.9](#). "Underserved area" means a geographical area included on the Iowa governor's health practitioner shortage area list, which is compiled by the center for rural health and primary care of the Iowa department of public health. The commission shall adopt rules, consistent with rules used for students enrolled in higher education institutions under the control of the state board of regents, for purposes of determining Iowa residency status of graduate students under [this section](#). The commission shall also adopt rules which provide standards, guidelines, and procedures for the receipt, processing, and administration of student applications and loans under [this section](#).

[95 Acts, ch 218, §23; 96 Acts, ch 1158, §2, 3; 99 Acts, ch 205, §38, 39; 2012 Acts, ch 1017, §65](#)

261.72 Chiropractic loan revolving fund.

A chiropractic loan revolving fund is created in the state treasury as a separate fund under the control of the commission. The commission shall deposit payments made by chiropractic loan recipients and the proceeds from the sale of chiropractic loans, less costs of collection of delinquent chiropractic loans, into the chiropractic loan revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the chiropractic graduate student forgivable loan program, for loan forgiveness to eligible chiropractic physicians, and to pay for loan or interest repayment defaults by eligible chiropractic physicians. Notwithstanding [section 8.33](#), any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

[96 Acts, ch 1158, §4](#)

[Allocation to chiropractic loan forgiveness program; 2015 Acts, ch 140, §4, 23; 2017 Acts, ch 172, §3, 48; 2019 Acts, ch 135, §3; 2020 Acts, ch 1121, §1; 2021 Acts, ch 170, §3](#)

261.73 Chiropractic loan forgiveness program.

1. A chiropractic loan forgiveness program is established to be administered by the commission. A chiropractor is eligible for the program if the chiropractor is a resident of this

state, is licensed to practice under [chapter 151](#), and is engaged in the practice of chiropractic in this state.

2. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for chiropractic loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed loan forgiveness will be evaluated and determined.

c. Complete and return on a form approved by the commission an affidavit of practice verifying that the applicant meets the eligibility requirements of [subsection 1](#).

3. The annual amount of chiropractic loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the chiropractor's graduation from a college of chiropractic approved by the board of chiropractic in accordance with [section 151.4](#), or twenty percent of the chiropractor's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A chiropractor shall be eligible for the loan forgiveness program for not more than five consecutive years.

4. A chiropractic loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding [section 8.33](#), moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the chiropractic loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the fund shall be credited to the fund.

5. The commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[2008 Acts, ch 1181, §34](#)

Referred to in [§261.2](#)

261.74 through 261.80 Reserved.

SUBCHAPTER VIII

WORK-STUDY PROGRAM

261.81 Work-study program.

The Iowa college work-study program is established to stimulate and promote the part-time employment of students attending Iowa postsecondary educational institutions, and the part-time or full-time summer employment of students registered for classes at Iowa postsecondary institutions during the succeeding school year, who are in need of employment earnings in order to pursue postsecondary education. The program shall be administered by the commission. The commission shall adopt rules under [chapter 17A](#) to carry out the program. The employment under the program shall be employment by the postsecondary education institution itself or work in a public agency or private nonprofit organization under a contract between the institution or the commission and the agency or organization. The work shall not result in the displacement of employed workers or impair or affect existing contracts for services. Moneys used by an institution for the work-study program shall supplement and not supplant jobs and existing financial aid programs provided for students through the institution.

[85 Acts, ch 219, §1](#); [88 Acts, ch 1284, §31](#); [89 Acts, ch 300, §18](#); [89 Acts, ch 319, §50](#); [91 Acts, ch 180, §6](#); [95 Acts, ch 70, §2](#)

261.81A and 261.82 Repealed by 2014 Acts, ch 1141, §27.

261.83 Eligibility and duties of institutions.

1. An eligible postsecondary education institution is an institution of higher education under the state board of regents, a community college, or an accredited private institution as defined in [section 261.9, subsection 1](#). The commission may enter into an agreement with an eligible postsecondary education institution under which the commission will make grants to the institution for the work-study program.

2. The participating institution shall:

a. File the proper forms with the commission for participation in the program.

b. Develop jobs that meet the requirements of the Iowa college work-study program. To the extent possible, the job should complement the student's educational program and career goal.

c. Supervise and evaluate employment and maintain the records required by the commission.

d. Participate in the federal work-study program.

[85 Acts, ch 219, §3](#); [90 Acts, ch 1253, §121](#); [2010 Acts, ch 1061, §180](#)

261.84 Student eligibility.

In order to be eligible, a student must:

1. Be a citizen of the United States and a resident of this state.

2. Be enrolled and making satisfactory academic progress or accepted for enrollment at an eligible postsecondary institution on a half-time or greater basis.

3. Demonstrate financial need. A student's need shall be determined on the basis of a need analysis system approved for use by the commission or under the federal work-study program.

4. Have not defaulted on an Iowa guaranteed loan payment or on a loan guaranteed by the federal government.

[85 Acts, ch 219, §4](#); [89 Acts, ch 300, §19, 26](#)

261.85 Appropriation.

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million seven hundred fifty thousand dollars for the work-study program.

2. From moneys appropriated in [this section](#), one million five hundred thousand dollars shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in [this section](#) shall be allocated by the commission on the basis of need as determined by the portion of the federal formula for distribution of work-study funds that relates to the current need of institutions.

[87 Acts, ch 233, §463](#); [88 Acts, ch 1284, §32](#); [89 Acts, ch 319, §58](#); [90 Acts, ch 1272, §58](#); [91 Acts, ch 260, §909](#); [91 Acts, ch 267, §219](#); [92 Acts, ch 1246, §33](#); [93 Acts, ch 179, §22](#); [95 Acts, ch 218, §24](#); [2000 Acts, ch 1223, §29](#)

State funding for certain fiscal years eliminated; [2015 Acts, ch 140, §5, 24](#); [2017 Acts, ch 172, §4, 49](#); [2019 Acts, ch 135, §4](#); [2020 Acts, ch 1121, §1](#); [2021 Acts, ch 170, §4](#)

SUBCHAPTER IX

NATIONAL GUARD EDUCATIONAL ASSISTANCE

261.86 National guard service scholarship program.

1. A national guard service scholarship program is established to be administered by the college student aid commission for members of the Iowa national guard who are enrolled as undergraduate students in a community college, an institution of higher learning under the state board of regents, or an accredited private institution. The college student aid commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#). An individual is eligible for the national guard service scholarship program if the individual meets all of the following conditions:

a. Is a resident of the state and a member of an Iowa army or air national guard unit while receiving scholarship award payments issued pursuant to [this section](#).

b. Satisfactorily completed required initial active duty training.

c. Maintains satisfactory performance of duty upon return from initial active duty training, including attending a minimum ninety percent of scheduled drill dates and attending annual training.

d. Is enrolled as an undergraduate student in a community college as defined in [section 260C.2](#), an institution of higher learning under the control of the board of regents, or an accredited private institution as defined in [section 261.9](#), and is maintaining satisfactory academic progress.

e. Provides proper notice of national guard status to the community college or institution at the time of registration for the term in which tuition benefits are sought.

f. Completes and submits application forms required by the commission, including the free application for federal student aid, and applies for all nonrepayable state and federal financial aid for which the member is eligible.

g. Submits an application to the adjutant general of Iowa, on forms prescribed by the adjutant general, who shall determine eligibility and whose decision is final. Notwithstanding any deadline established for the administration of this paragraph, the adjutant general shall accept an application submitted pursuant to this paragraph from an otherwise eligible member of the national guard who was on federal active duty at the time of such deadline.

2. Scholarship awards paid pursuant to [this section](#) shall not exceed the resident tuition rate established for institutions of higher learning under the control of the state board of regents. If the amount appropriated in a fiscal year for purposes of [this section](#) is insufficient to provide scholarships to all national guard members who apply for the program and who are determined by the adjutant general to be eligible for the program, the adjutant general shall, in coordination with the commission, determine the distribution of scholarships. However, scholarship awards paid pursuant to [this section](#) shall not be less than fifty percent of the resident tuition rate established for institutions of higher learning under the control of the state board of regents or fifty percent of the tuition rate at the institution attended by the national guard member, whichever is lower. Neither eligibility nor scholarship award determinations shall be based upon a national guard member's unit, the location at which drills are attended, or whether the eligible individual is a member of the Iowa army or air national guard.

3. a. (1) Except as provided in subparagraph (2), an eligible member of the national guard, attending an institution as provided in [subsection 1](#), paragraph "d", shall not receive scholarship awards under [this section](#) for more than one hundred twenty semester, or the equivalent, credit hours of undergraduate study.

(2) An eligible member of the national guard, attending an institution as provided in [subsection 1](#), paragraph "d", who is enrolled in a program of education leading to a postsecondary degree that meets the eligibility requirements for the federal Edith Nourse Rogers STEM scholarship established under 38 U.S.C. §3320, shall not receive scholarship awards issued under [this section](#) for more than one hundred thirty semester, or the equivalent, credit hours of undergraduate study.

(3) A national guard member who has met the educational requirements for a baccalaureate degree is ineligible for a scholarship award under [this section](#).

b. A member of the national guard who received educational assistance under [this section](#) prior to July 1, 2015, shall be deemed to have received educational assistance for the following number of credit hours for educational assistance received before that date:

(1) For each semester that the member received educational assistance while attending an institution as a full-time student, twelve credit hours.

(2) For each semester that the member received educational assistance while attending an institution as a part-time student, six credit hours.

(3) For each trimester or quarter that the member received educational assistance while attending an institution as a full-time or part-time student, the number of credit hours that are determined to be the semester equivalent by the college student aid commission.

4. The eligibility of applicants and scholarship award amounts to be paid shall be certified

by the adjutant general of Iowa to the college student aid commission, and all amounts that are or become due to a community college, accredited private institution, or institution of higher learning under the control of the state board of regents under [this section](#) shall be paid to the college or institution by the college student aid commission upon receipt of certification by the president or governing board of the educational institution as to accuracy of charges made, and as to the attendance and academic progress of the individual at the educational institution. The college student aid commission shall maintain an annual record of the number of participants and the dollar value of the awards issued.

5. Scholarships awarded under [this section](#) may be used by the recipient for the recipient's "cost of attendance" as defined in Tit. IV, pt. B, of the federal Higher Education Act of 1965 as amended.

6. *a.* Notwithstanding [section 8.33](#), funds appropriated for purposes of [this section](#) which remain unencumbered or unobligated at the close of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year upon the authority of the adjutant general for purposes of [this section](#) and [section 261.86A](#).

b. The adjutant general shall submit a report to the governor and the general assembly by December 31 of each year listing the science, technology, engineering, and mathematics-related career fields the adjutant general plans to focus on in providing educational incentives under [this section](#) and [section 261.86A](#) using funds available under [this subsection](#) for that fiscal year.

99 Acts, ch 205, §40; 2000 Acts, ch 1095, §15; 2003 Acts, ch 182, §14, 22; 2010 Acts, ch 1061, §180; 2011 Acts, ch 48, §1, 2; 2013 Acts, ch 46, §1; 2015 Acts, ch 9, §1; 2016 Acts, ch 1029, §1; 2016 Acts, ch 1132, §10, 19, 20; 2018 Acts, ch 1163, §14; 2019 Acts, ch 24, §32; 2019 Acts, ch 135, §14 – 16; 2020 Acts, ch 1062, §73 – 75; 2021 Acts, ch 65, §4

Referred to in §261.86A
Subsection 6 amended

261.86A National guard STEM-related recruitment and retention incentive programs.

1. *a.* The adjutant general has the authority under [this section](#) to authorize the expenditure of unencumbered or unobligated funds as described in [section 261.86, subsection 6](#), to recruit or retain individuals who have completed or are pursuing training in science, technology, engineering, and mathematics-related military occupational specialties or air force specialty codes by issuing awards through a national guard student loan repayment program in accordance with [subsection 2](#) or by providing a scholarship award to an eligible member of the national guard who is enrolled at an institution defined in [section 261.86, subsection 1](#), paragraph "d", in a master's degree program that is in compliance with the federal Edith Nourse Rogers STEM scholarship program established under 38 U.S.C. §3320 in accordance with the requirements of [subsection 3](#).

b. The adjutant general can offer a recruitment or retention incentive as authorized by [this section](#) in either the military entrance process or within the final year of the service member's initial contract obligation pending the service member signing a six-year extension.

2. *a.* A national guard student loan repayment program is established to be administered by the college student aid commission. Funds for loan repayment awards under the program shall be expended upon the authority of the adjutant general.

b. An individual is eligible for a loan repayment award under [this subsection](#) if the individual meets all of the following conditions:

(1) Is a resident of the state and a member of an Iowa army or air national guard unit while receiving loan repayment awards issued pursuant to [this subsection](#).

(2) Satisfactorily completed required initial active duty training.

(3) Maintains satisfactory performance of duty upon return from initial active duty training, including attending a minimum ninety percent of scheduled drill dates and attending annual training.

c. An applicant for an award under [this subsection](#) shall, in accordance with the rules promulgated by the college student aid commission, do all of the following:

(1) Complete and file an application for national guard student loan repayment. The

individual shall be responsible for the prompt submission of any information required by the national guard and the college student aid commission.

(2) File a new application and submit information as required by the national guard and the college student aid commission annually on the basis of which the applicant's eligibility for the renewed loan repayment will be evaluated and determined.

d. The annual amount of an award to an applicant under [this subsection](#) shall not exceed five thousand dollars or one hundred percent of the applicant's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the applicant's federal grad plus loans, or the applicant's federal Perkins loans, including principal and interest, whichever is less. An applicant shall be eligible for a loan repayment award under [this subsection](#) for not more than six consecutive years.

3. An applicant for a master's degree scholarship award as described in [subsection 1](#) shall meet the criteria as provided in [section 261.86, subsection 1](#), except that the applicant can be enrolled in a master's degree program. The provisions of [section 261.86, subsections 2, 4, and 5](#), shall also apply to scholarship awards made under [this subsection](#). A scholarship award provided to a recipient enrolled in a master's degree program under [this subsection](#) shall be limited to thirty-six, or equivalent, credit hours of graduate study.

[2021 Acts, ch 65, §5](#)

Referred to in [§261.86](#)

NEW section

SUBCHAPTER X

ALL IOWA OPPORTUNITY SCHOLARSHIPS

261.87 All Iowa opportunity scholarship program and fund.

1. *Definitions.* As used in [this subchapter](#), unless the context otherwise requires:

a. "Commission" means the college student aid commission.

b. "Eligible foster care student" means a person who has a high school diploma or a high school equivalency diploma under [chapter 259A](#) and is described by any of the following:

(1) Is age seventeen and is in a court-ordered placement under [chapter 232](#) under the care and custody of the department of human services or juvenile court services.

(2) Is age seventeen and has been placed in a state juvenile institution pursuant to a court order entered under [chapter 232](#) under the care and custody of the department of human services.

(3) Is described by any of the following:

(a) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was in a licensed foster care placement pursuant to a court order entered under [chapter 232](#) under the care and custody of the department of human services or juvenile court services.

(b) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was under a court order under [chapter 232](#) to live with a relative or other suitable person.

(c) The person was in a licensed foster care placement pursuant to an order entered under [chapter 232](#) prior to being legally adopted after reaching age sixteen.

(d) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was placed in a state juvenile institution pursuant to a court order entered under [chapter 232](#) under the care and custody of the department of human services.

c. "Eligible institution" means a community college established under [chapter 260C](#) or an institution of higher learning governed by the state board of regents.

d. "Eligible surviving-child student" means a qualified student who is not a convicted felon as defined in [section 910.15](#) and who meets any of the following criteria:

(1) Is the child or stepchild of a peace officer, as defined in [section 97A.1](#), who was killed in the line of duty as determined by the board of trustees of the Iowa department of public

safety peace officers' retirement, accident, and disability system in accordance with [section 97A.6, subsection 16](#).

(2) Is the child or stepchild of a police officer or a fire fighter, as each is defined in [section 411.1](#), who was killed in the line of duty as determined by the statewide fire and police retirement system in accordance with [section 411.6, subsection 15](#).

(3) Is the child or stepchild of a sheriff or deputy sheriff as each is defined in [section 97B.49C](#), who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with [section 97B.52, subsection 2](#).

(4) Is the child or stepchild of a fire fighter or police officer included under [section 97B.49B](#), who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with [section 97B.52, subsection 2](#).

(5) Is the child or stepchild of an employee of the Iowa department of corrections, or of a judicial district department of correctional services, who was killed in the line of duty.

e. *“Financial need”* means the difference between the student's financial resources available, including those available from the student's parents as determined by a completed parents' confidential statement, and the student's anticipated expenses while attending an eligible institution.

f. *“Full-time resident student”* means an individual resident of Iowa who is enrolled at an eligible institution in a program of study including at least twelve semester hours or the trimester or quarter equivalent.

g. *“Part-time resident student”* means an individual resident of Iowa who is enrolled at an eligible institution in a program of study including at least three semester hours or the trimester or quarter equivalent.

h. *“Qualified student”* means a resident student who has established financial need and who is meeting all program requirements.

i. *“Stepchild”* means the same as defined in [section 450.1](#).

2. *Program — eligibility.* An all Iowa opportunity scholarship program is established to be administered by the commission. The awarding of scholarships under the program is subject to appropriations made by the general assembly. A person who meets all of the following requirements is eligible for the program:

a. Is a resident of Iowa and a citizen of the United States or a lawful permanent resident.

b. Applies in a timely manner for admission to an eligible institution and is accepted for admission.

c. Applies in a timely manner for any federal or state student financial assistance available to the student to attend an eligible institution.

d. Files a new application and parents' confidential statement, as applicable, annually on the basis of which the applicant's eligibility for a renewed scholarship will be evaluated and determined.

e. Maintains satisfactory academic progress during each term for which a scholarship is awarded.

f. 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 or suspend 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.

3. *Priority for scholarship awards.* Priority for scholarships under [this section](#) shall be given to eligible foster care students, then to eligible surviving-child students, who meet the eligibility criteria under [subsection 2](#). Following distribution to students who meet the eligibility criteria under [subsection 2](#), the commission may establish priority for awarding scholarships using any moneys that remain in the all Iowa opportunity scholarship fund.

4. *Extent of scholarship.* A qualified student at an eligible institution may receive scholarships for not more than the equivalent of eight full-time semesters of undergraduate study, excluding summer semesters. A qualified student attending part-time may receive scholarships for not more than the equivalent of sixteen part-time semesters of

undergraduate study. Scholarships awarded pursuant to [this section](#) shall not exceed the least of the following amounts, as determined by the commission:

a. The student's financial need.

b. One-half of the average resident tuition rate and mandatory fees established for institutions of higher learning governed by the state board of regents.

5. *Discontinuance of attendance — remittance.* If a student receiving a scholarship pursuant to [this section](#) discontinues attendance before the end of any academic term, the entire amount of any refund due to the student, up to the amount of any payments made by the state, shall be remitted by the eligible institution to the commission. The commission shall deposit refunds paid to the commission in accordance with [this subsection](#) into the fund established pursuant to [subsection 6](#).

6. *Fund established.* An all Iowa opportunity scholarship fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the commission to be used for scholarships for students meeting the requirements of [this section](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) in subsequent fiscal years.

[2007 Acts, ch 214, §28; 2009 Acts, ch 177, §28; 2015 Acts, ch 140, §47, 58, 59; 2016 Acts, ch 1034, §1; 2017 Acts, ch 54, §76; 2017 Acts, ch 172, §20 – 24; 2018 Acts, ch 1172, §80, 81; 2019 Acts, ch 32, §1, 2; 2021 Acts, ch 9, §1; 2021 Acts, ch 170, §17 – 19, 25](#)

Program to be expanded to include accredited private institutions if moneys appropriated exceed \$500,000; 2015 Acts, ch 140, §2, 21; 2016 Acts, ch 1132, §2; 2017 Acts, ch 172, §2; 2018 Acts, ch 1163, §2; 2019 Acts, ch 135, §2; 2020 Acts, ch 1121, §1; 2021 Acts, ch 170, §2
Subsection 1, paragraph d, subparagraph (5) and subsection 1, paragraph i apply retroactively to July 1, 2020; 2021 Acts, ch 170, §25
Subsection 1, paragraph d, subparagraphs (1) – (4) amended
Subsection 1, paragraph d, NEW subparagraph (5)
Subsection 1, NEW paragraph i
Subsection 2, paragraph f amended

261.88 through 261.91 Reserved.

SUBCHAPTER XI

IOWA GRANT PROGRAM

261.92 through 261.97 Repealed by 2015 Acts, ch 140, §18, 58, 59.

261.98 through 261.100 Reserved.

SUBCHAPTER XII

MINORITY ACADEMIC GRANTS FOR ECONOMIC SUCCESS

261.101 Legislative intent.

The general assembly finds that the failure of many young Iowans to complete their education limits their opportunity for a life of fulfillment and hinders the state's efforts to provide a well-trained workforce for business and industry in Iowa. The general assembly also declares that it is the policy of this state to apply positive measures to ensure that equal opportunities exist for minority persons to pursue their educational goals. Therefore, the "Iowa Minority Academic Grants for Economic Success" program is established to provide additional funding to the state board of regents institutions, community colleges, and accredited private institutions in order to encourage resident minority students to remain in Iowa, to attend community colleges, private colleges, and universities in Iowa, and to assure that a limited family income will not be a barrier for a minority person to pursue a postsecondary education.

[89 Acts, ch 319, §53; 90 Acts, ch 1253, §14](#)

Referred to in [§262.9, 262.92](#)

261.102 Definitions.

1. “*Accredited private institution*” means an institution of higher education as defined in [section 261.9, subsection 1](#).

2. “*Commission*” means the college student aid commission.

3. “*Financial need*” means the difference between the student’s financial resources, including resources available from the student’s parents and the student, as determined by a completed parents’ financial statement and including any noncampus-administered federal or state grants and scholarships, and the student’s estimated expenses while attending the institution. A student shall accept all available federal and state grants and scholarships before being considered eligible for grants under the Iowa minority academic grants for economic success program. Financial need shall be reconsidered on at least an annual basis.

4. “*Full-time student*” means an individual who is enrolled at an accredited private institution, community college, or board of regents’ university for at least twelve semester hours or the trimester or quarter equivalent.

5. “*Minority person*” means an individual who is African American, Hispanic, Asian, or a Pacific Islander, American Indian, or an Alaskan Native American.

6. “*Part-time student*” means an individual who is enrolled at an accredited private institution, community college, or board of regents’ university in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours.

7. “*Program*” means the Iowa minority academic grants for economic success program established in [this subchapter](#).

[89 Acts, ch 319, §54; 90 Acts, ch 1253, §15, 122; 2009 Acts, ch 41, §103; 2017 Acts, ch 54, §76](#)
 Referred to in [§262.82, 262.93](#)

261.103 Program qualifications.

1. A grant under the program may be awarded to any minority person who is a resident of Iowa, who is accepted for admission or is attending a board of regents’ university, community college, or an accredited private institution, and who demonstrates financial need. Applicants who receive vouchers under [section 262.92](#) shall be given priority in receiving grants under the program, but an applicant shall not be denied a grant because the applicant does not hold vouchers under the program in [section 262.92](#). For the fiscal year commencing July 1, 1990, and in subsequent years, grants shall be awarded to all minority persons, with priority to be given to those minority persons who are residents of Iowa.

2. Full-time students may receive grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent of eight semesters of undergraduate study. Part-time students may receive grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent of sixteen semesters of undergraduate study.

3. The amount of the grant shall not exceed a student’s yearly financial need or three thousand five hundred dollars, whichever is less. If the student is attending or seeking to enroll in an accredited private institution, fifty percent of the amount of the grant shall be provided by the accredited private institution and fifty percent shall be provided by the commission from state funds appropriated for that purpose.

4. Grants shall be awarded on an annual basis and shall be credited by the institution against the student’s tuition, fees, room, and board, at the beginning of each semester, trimester, or quarter in equal installments upon certification by the institution that the student is admitted and attending the institution.

5. If a student receiving a grant under the program discontinues attendance before the end of any academic period, but after receiving payment of grant moneys for the academic period, the entire amount of any refund due the student, up to the amount of any payments made by the state, shall be remitted by the private institution to the commission.

[89 Acts, ch 319, §55; 89 Acts, ch 322, §8; 90 Acts, ch 1253, §16](#)
 Referred to in [§262.93](#)

261.104 Powers of the commission.

In administering the program for the community colleges and the private institutions, the commission shall:

1. Provide application forms to students enrolled and attending or seeking to enroll and attend community colleges or accredited private institutions.
2. Develop and provide confidential financial statement forms to the parents or guardians of students applying for grants under this program.
3. Approve and award grants to community colleges and accredited private institutions under the program.
4. Adopt rules for determining financial need and residency for the purpose of awarding grants to qualified students, and any other rules necessary for the administration of the program.
5. Report annually to the governor and the general assembly on the progress and implementation of the program.
6. Require postsecondary institutions that receive moneys from students awarded grants under the program to furnish any information necessary for the implementation or administration of the program.
7. Solicit and receive private contributions and federal grants available for purposes of the program.
8. Maintain records on the recipients of vouchers under [section 262.92](#) and adopt rules to provide for the giving of priority to students holding vouchers under that section.
9. Administer funds appropriated for the Iowa minority academic grants for economic success program to carry out the duties of the commission.
10. Provide for the proration of funds among qualified applicants if funds available are insufficient to pay all approved grants.

[89 Acts, ch 319, §56; 90 Acts, ch 1253, §17](#)

Referred to in [§262.93](#)

261.105 Duties of applicant.

An applicant for a grant under the program shall:

1. Complete and file an application for a grant on forms provided by the commission or regents institutions.
2. Submit the financial information required for evaluation of the applicant's financial need for a grant.
3. Comply with rules and information requests of the commission or regents institutions made in relation to the program.

[89 Acts, ch 319, §57](#)

Referred to in [§262.93](#)

261.106 through 261.109 Reserved.

SUBCHAPTER XIII

TEACH IOWA SCHOLAR GRANTS AND TEACHER SHORTAGE FORGIVABLE LOAN
AND LOAN FORGIVENESS PROGRAMS**261.110 Teach Iowa scholar program.**

1. A teach Iowa scholar program is established to provide teach Iowa scholar grants to selected high-caliber teachers. The commission shall administer the program in collaboration with the department of education.

2. An Iowa resident or nonresident applicant shall be eligible for a teach Iowa scholar grant if the applicant meets all of the criteria specified under, or established in accordance with, [subsection 3](#). Priority shall be given to applicants who are residents of Iowa. A person is ineligible for this program if the person receives a forgivable loan under [section 261.111](#) or loan forgiveness under [section 261.112](#).

3. Criteria for eligibility shall be established by the commission and shall include but are not limited to the following:

a. The applicant was in the top twenty-five percent academically of students exiting a teacher preparation program approved by the state board of education pursuant to [section 256.7, subsection 3](#), or a similar teacher preparation program in another state, or had earned other comparable academic credentials.

b. The applicant is preparing to teach in fields including but not limited to science, technology, engineering, or mathematics; English as a second language or special education instruction; or is preparing to teach in a hard-to-staff subject as identified by the department. The department shall take into account the varying regional needs in the state for teachers in these subject areas when applying the criterion of this paragraph. The department shall annually identify and designate hard-to-staff subjects for the purpose of this paragraph. The eligibility of an applicant who receives a teach Iowa scholar grant and who is preparing to teach in a hard-to-staff subject as identified by the department shall not be affected in subsequent years if the department does not continue to identify that subject as a hard-to-staff subject.

c. The applicant met all of the eligibility requirements of [this section](#) on or after January 1, 2013. A person who met the program eligibility requirements of [this section](#) prior to January 1, 2013, is ineligible for this program.

4. A selected applicant who meets all of the eligibility requirements of [this section](#) shall be eligible for a teach Iowa scholar grant for each year of full-time employment completed in this state as a teacher for a school district, charter school, area education agency, or accredited nonpublic school. A teach Iowa scholar grant shall not exceed four thousand dollars per year per recipient. Grants awarded under [this section](#) shall not exceed a total of twenty thousand dollars per recipient over a five-year period. If a selected applicant has received a federally guaranteed Stafford loan under the federal family education loan program or the federal direct loan program, a federal direct plus loan, or a federal Perkins loan, the selected applicant may elect to have the commission make payment under the program directly to the selected applicant's student loan holder.

5. The commission, in collaboration with the department of education, shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#). The rules shall include but shall not be limited to a process for use by the commission to determine which eligible applicants will receive teach Iowa scholar grants.

6. A teach Iowa scholar fund is established in the state treasury. The fund shall be administered by the commission and shall consist of moneys appropriated by the general assembly and any other moneys received by the commission for deposit in the fund, including payments collected by the commission pursuant to [section 261.111, subsection 7](#). The moneys in the fund are appropriated to the commission for the teach Iowa scholar program. Notwithstanding [section 8.33](#), moneys in the fund at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the teach Iowa scholar program for subsequent fiscal years. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

2013 Acts, ch 121, §46; 2014 Acts, ch 1135, §15; 2015 Acts, ch 138, §16, 161, 162; 2017 Acts, ch 150, §1, 3, 4; 2021 Acts, ch 129, §1

Referred to in [§261.111, 261.112](#)
Subsection 6 amended

261.111 Teacher shortage forgivable loan program.

1. A teacher shortage forgivable loan program is established to be administered by the college student aid commission. An individual is eligible for the forgivable loan program if the individual is a resident of this state who is enrolled as a sophomore, junior, senior, or graduate student in an approved practitioner preparation program in a designated area in which teacher shortages are anticipated at an institution of higher learning under the control of the state board of regents or an accredited private institution as defined in [section 261.9](#).

2. The director of the department of education shall annually designate the areas in which teacher shortages are anticipated. The director shall periodically conduct a survey of school

districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas and predict future shortage areas.

3. Each applicant shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for a teacher shortage forgivable loan. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed forgivable loan will be evaluated and determined.

4. Forgivable loans to eligible students shall not become due until after the student graduates or leaves school. The individual's total loan amount, including principal and interest, shall be reduced by twenty percent for each year in which the individual remains an Iowa resident and is employed in Iowa by a school district or an accredited nonpublic school as a practitioner in the teacher shortage area for which the loan was approved. If the commission determines that the person does not meet the criteria for forgiveness of the principal and interest payments, the commission shall establish a plan for repayment of the principal and interest over a ten-year period. If a person required to make the repayment does not make the required payments, the commission shall provide for payment collection.

5. The annual amount of a teacher shortage forgivable loan shall not exceed the resident tuition rate established for institutions of higher education governed by the state board of regents, or the amount of the student's established financial need, whichever is less.

6. The commission shall prescribe by rule the interest rate for the forgivable loan.

7. The commission shall deposit payments made by forgivable loan recipients who do not fulfill the conditions of the forgivable loan program in the teach Iowa scholar fund established pursuant to [section 261.110, subsection 6](#), to be used for the purposes of the teach Iowa scholar program.

8. For purposes of [this section](#), unless the context otherwise requires, "teacher" means the same as defined in [section 272.1](#).

9. The commission shall submit in a report to the general assembly by January 1, annually, the number of students who received forgivable loans pursuant to [this section](#), which institutions the students were enrolled in, and the amount paid to each of the institutions on behalf of the students who received forgivable loans pursuant to [this section](#) and the total amount of loans outstanding, including a schedule of years remaining on the outstanding loans.

[98 Acts, ch 1215, §39; 99 Acts, ch 205, §41; 2006 Acts, ch 1180, §21, 22; 2007 Acts, ch 214, §29, 30; 2021 Acts, ch 129, §2](#)

Referred to in [§261.110, 261.112](#)

Transfer and appropriation of unencumbered or unobligated moneys remaining in the former teacher shortage forgivable loan repayment fund on June 30, 2021, to the college student aid commission for deposit in the teach Iowa scholar fund; [2021 Acts, ch 129, §4](#)

Subsection 7 amended

261.112 Teacher shortage loan forgiveness program.

1. A teacher shortage loan forgiveness program is established to be administered by the commission. A teacher is eligible for the program if the teacher is practicing in a teacher shortage area as designated by the department of education pursuant to [subsection 2](#). A person is ineligible for this program if the person receives a grant under [section 261.110](#) or a forgivable loan under [section 261.111](#). For purposes of [this section](#), "teacher" means an individual holding a practitioner's license issued under [chapter 272](#), who is employed in a nonadministrative position in a designated shortage area by a school district or area education agency pursuant to a contract issued by a board of directors under [section 279.13](#).

2. The director of the department of education shall annually designate the geographic or subject areas experiencing teacher shortages. The director shall periodically conduct a survey of school districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas.

3. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for teacher shortage loan forgiveness. The individual

shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed loan forgiveness will be evaluated and determined.

c. Complete and return on a form approved by the commission an affidavit of practice verifying that the applicant is a teacher in an eligible teacher shortage area.

4. The annual amount of teacher shortage loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the teacher's graduation from an approved practitioner preparation program, or twenty percent of the teacher's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A teacher shall be eligible for the loan forgiveness program for not more than five years. However, practice by an eligible teacher in a teacher shortage area pursuant to [subsection 1](#) must be completed within ten years following graduation from the approved practitioner preparation program.

5. The commission shall submit in a report to the general assembly by January 1, annually, the number of individuals who received loan forgiveness pursuant to [this section](#), which shortage areas the teachers taught in, the amount paid to each program participant, and other information identified by the commission as indicators of outcomes from the program.

6. The commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[2007 Acts, ch 214, §31; 2011 Acts, ch 36, §6; 2017 Acts, ch 150, §2 - 4; 2021 Acts, ch 129, §3](#)
Referred to in [§261.2, 261.110](#)

Transfer and appropriation of unencumbered or unobligated moneys remaining in the former teacher shortage loan forgiveness repayment fund on June 30, 2021, to the college student aid commission for deposit in the teach Iowa scholar fund; [2021 Acts, ch 129, §4](#)
Subsection 5 stricken and former subsections 6 and 7 renumbered as 5 and 6

SUBCHAPTER XIV

OTHER LOAN REPAYMENT AND FORGIVENESS PROGRAMS — HEALTH PROFESSIONS

261.113 Rural Iowa primary care loan repayment program — fund — appropriations.

1. *Program established.* A rural Iowa primary care loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for medical students who agree to practice as physicians in service commitment areas for five years and meet the requirements of [this section](#).

2. *Eligibility.* An individual is eligible to apply to enter into a program agreement with the commission if the individual is enrolled full-time in and receives a recommendation from the state university of Iowa college of medicine or Des Moines university — osteopathic medical center in a curriculum leading to a doctor of medicine degree or a doctor of osteopathic medicine degree.

3. *Program agreements.* A program agreement shall be entered into by an eligible student and the commission during the eligible student's final year of study leading to a doctor of medicine or doctor of osteopathic medicine degree. Under the agreement, to receive loan repayments pursuant to [subsection 5](#), an eligible student shall agree to and shall fulfill all of the following requirements:

a. Receive a doctor of medicine or doctor of osteopathic medicine degree from an eligible university and apply for, enter, and complete a residency program approved by the commission.

b. Apply for and obtain a license to practice medicine and surgery or osteopathic medicine and surgery in this state.

c. Complete the residency program requirement with an Iowa-based residency program.

d. Within nine months of graduating from the residency program and receiving a permanent license in accordance with paragraph "b", engage in the full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, obstetrics and gynecology, or general surgery for a

period of five consecutive years in the service commitment area specified under [subsection 8](#), unless the loan repayment recipient receives a waiver from the commission to complete the years of practice required under the agreement in another service commitment area pursuant to [subsection 8](#).

4. *Priority to Iowa residents.* The commission shall give priority to eligible students who are residents of Iowa upon enrolling in the university.

5. *Loan repayment amounts.* The amount of loan repayment an eligible student who enters into an agreement pursuant to [subsection 3](#) shall receive if in compliance with obligations under the agreement shall be forty thousand dollars annually for an eligible loan if the total loan amount equals or exceeds two hundred thousand dollars. Payments under [this section](#) may be made for each year of eligible practice during a period of five consecutive years and shall not exceed a total of two hundred thousand dollars. If the total amount of an eligible student's eligible loan upon graduation is less than two hundred thousand dollars, the commission shall divide the total amount of the eligible student's eligible loan by five to determine the annual amount of loan repayment the loan recipient is eligible to receive.

6. *Refinanced loans.* A loan repayment recipient who refinances an eligible loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#) if the amount of loan repayment does not exceed the lesser of the amount specified in [subsection 5](#) or the balance of the loan repayment amount the loan repayment recipient qualified to receive with the eligible loan.

7. *Program agreement limitation.* The commission shall not enter into more than twenty program agreements annually. The percentage of agreements entered into by students attending eligible universities shall be evenly divided. However, if there are fewer applicants at one eligible university, eligible student applicants enrolled in other eligible universities may be awarded the remaining agreements.

8. *Selection of service commitment area.* A loan repayment recipient shall notify the commission of the recipient's service commitment area prior to beginning practice in the area in accordance with [subsection 3](#), paragraph "d". The commission may waive the requirement that the loan repayment recipient practice in the same service commitment area for all five years.

9. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to [this section](#) and subject to the availability of surplus funds, loan repayment to a physician who received a doctor of medicine or doctor of osteopathic medicine degree from an eligible university as provided in [subsection 2](#), obtained a license to practice medicine and surgery or osteopathic medicine and surgery in this state, completed the physician's residency program requirement with an Iowa-based residency program, and is engaged in the full-time practice of medicine and surgery or osteopathic medicine and surgery as specified in [subsection 3](#), paragraph "d".

10. *Part-time practice — agreement amended.* A person who entered into an agreement pursuant to [subsection 3](#) may apply to the commission to amend the agreement to allow the person to engage in less than the full-time practice specified in the agreement and under [subsection 3](#), paragraph "d". The commission and the person may consent to amend the agreement under which the person shall engage in less than full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, obstetrics and gynecology, or general surgery in a service commitment area for an extended period of part-time practice determined by the commission to be proportional to the amount of full-time practice remaining under the original agreement. For purposes of [this subsection](#), "less than the full-time practice" means at least seventy percent of a forty-hour workweek.

11. *Postponement and satisfaction of service obligation.*

a. The obligation to engage in practice in accordance with [subsection 3](#) shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time practice as required under [subsection 3](#), paragraph “d”.

b. Except for a postponement under paragraph “a”, subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to [subsection 3](#), shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

c. An obligation to engage in full-time practice under an agreement entered into pursuant to [subsection 3](#) shall be considered satisfied when any of the following conditions are met:

(1) The terms of the agreement are completed.

(2) The person who entered into the agreement dies.

(3) The person who entered into the agreement, due to a permanent disability, is unable to practice medicine and surgery or osteopathic medicine and surgery.

d. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with [subsection 3](#), the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with [subsection 3](#) may also be subject to repayment of moneys advanced by the service commitment area as provided in any agreement with the service commitment area.

12. *Trust fund established.* A rural Iowa primary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to [this section](#) to the rural Iowa primary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of [this section](#). Moneys in the fund up to the total amount that an eligible student may receive for an eligible loan in accordance with [this section](#) and upon fulfilling the requirements of [subsection 3](#), shall be considered encumbered for the duration of the agreement entered into pursuant to [subsection 3](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) in subsequent fiscal years.

13. *Definitions.* For purposes of [this section](#):

a. “*Eligible loan*” means the physician’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the recipient’s federal grad plus loans, or the recipient’s federal Perkins loan, including principal and interest.

b. “*Eligible university*” means either the state university of Iowa college of medicine or Des Moines university — osteopathic medical center.

c. “*Service commitment area*” means a city in Iowa that provides a twenty thousand dollar contribution for deposit in the rural Iowa primary care trust fund for each physician in the community who is participating in the loan repayment program and which meets any of the following conditions:

(1) Is a city within a federal mental health shortage area, as designated by the health resources and services administration of the United States department of health and human services, if the physician participating in the loan repayment program specializes in psychiatry.

(2) Is a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand. The commission shall determine the distance between cities by calculating the most direct driving route.

[2012 Acts, ch 1108, §1](#); [2012 Acts, ch 1138, §58 – 60](#); [2013 Acts, ch 141, §14, 15](#); [2014 Acts, ch 1061, §7 – 10](#); [2014 Acts, ch 1135, §16, 17](#); [2016 Acts, ch 1038, §1](#); [2016 Acts, ch 1073, §87 – 89](#); [2020 Acts, ch 1007, §1 – 3, 7, 8](#); [2021 Acts, ch 21, §1 – 3](#)

2020 amendments to section apply retroactively to January 1, 2019, for recipients of loan repayment; 2020 Acts, ch 1007, §8

Subsection 3, paragraph d amended
Subsection 10 amended
Subsection 13, paragraph c amended

261.114 Rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program — fund — appropriations.

1. *Program established.* A rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for advanced registered nurse practitioner students and physician assistant students who agree to practice as advanced registered nurse practitioners or physician assistants in service commitment areas for five years and meet the requirements of [this section](#).

2. *Eligibility.* An individual is eligible to apply to enter into a program agreement with the commission if the individual is enrolled full-time in and receives a recommendation from an eligible university in a curriculum leading to a doctorate of nursing practice degree or a masters of physician assistant studies degree.

3. *Program agreements.* A program agreement shall be entered into by an eligible student and the commission when the eligible student begins the final year of study in an academic program leading to eligibility for licensure as a nurse practitioner or physician assistant. The commission shall not enter into any new program agreement under [this section](#) on or after July 1, 2018. Under the agreement, to receive loan repayments pursuant to [subsection 5](#), an eligible student shall agree to and shall fulfill all of the following requirements:

a. Receive a graduate-level credential qualifying the credential recipient for a license to practice as an advanced registered nurse practitioner pursuant to [chapter 152](#) or physician assistant pursuant to [chapter 148C](#).

b. Within nine months of receiving a degree and obtaining a license in accordance with paragraph “a”, engage in the full-time practice as an advanced registered nurse practitioner or physician assistant for a period of five consecutive years in the service commitment area specified under [subsection 6](#), unless the loan repayment recipient receives a waiver from the commission to complete the years of practice required under the agreement in another service commitment area pursuant to [subsection 6](#).

4. *Priority to Iowa residents.* The commission shall give priority to eligible students who are residents of Iowa upon enrolling in the eligible university.

5. *Loan repayment amounts.* The amount of loan repayment an eligible student who enters into an agreement pursuant to [subsection 3](#) shall receive if in compliance with obligations under the agreement shall not exceed four thousand dollars annually for an eligible loan. Payments under [this section](#) may be made for each year of eligible practice during a period of five consecutive years and shall not exceed a total of twenty thousand dollars.

6. *Selection of service commitment area.* A loan repayment recipient shall notify the commission of the recipient’s service commitment area prior to beginning practice in the area in accordance with [subsection 3](#). The commission may waive the requirement that the loan repayment recipient practice in the same service commitment area for all five years.

7. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to [this section](#) and subject to the availability of surplus funds, loan repayment to an advanced registered nurse practitioner or physician assistant who, as provided in [subsection 3](#), received a degree from an eligible university, obtained a license to practice in this state, and is engaged in full-time practice as an advanced registered nurse practitioner or physician assistant in a service commitment area.

8. *Satisfaction of service obligation.*

a. An obligation to engage in full-time practice under an agreement entered into pursuant to [subsection 3](#) shall be considered satisfied when any of the following conditions are met:

- (1) The terms of the agreement are completed.
- (2) The person who entered into the agreement dies.

(3) The person who entered into the agreement, due to a permanent disability, is unable to practice as an advanced registered nurse practitioner or physician assistant.

b. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with [subsection 3](#), the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with [subsection 3](#) may also be subject to repayment of moneys advanced by the service commitment area as provided in any agreement with the service commitment area.

9. *Trust fund established.* A rural Iowa advanced registered nurse practitioner and physician assistant trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to [this section](#) to the rural Iowa advanced registered nurse practitioner and physician assistant trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of [this section](#). Moneys in the fund up to the total amount that an eligible student may receive for an eligible loan in accordance with [this section](#) and upon fulfilling the requirements of [subsection 3](#) shall be considered encumbered for the duration of the agreement entered into pursuant to [subsection 3](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) in subsequent fiscal years. Notwithstanding [section 8.33](#), any balance in the fund on June 30, 2023, shall not revert to the general fund of the state but shall be transferred to the health care loan repayment fund established pursuant to [section 261.116](#) to be used for purposes of the health care loan repayment program.

10. *Definitions.* For purposes of [this section](#):

a. “*Eligible loan*” means the loan repayment recipient’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the recipient’s federal grad plus loans, or the recipient’s federal Perkins loan, including principal and interest.

b. “*Eligible university*” means a college or university that meets the requirements of [section 261.2](#), [subsection 10](#), and is an institution of higher learning under the control of the state board of regents or an accredited private institution as defined in [section 261.9](#).

c. “*Service commitment area*” means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more and which provides a two thousand dollar contribution for deposit in the rural Iowa advanced registered nurse practitioner and physician assistant trust fund for each advanced registered nurse practitioner or physician assistant in the community who is participating in the rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program.

11. *Future repeal.* [This section](#) is repealed July 1, 2023.

2013 Acts, ch 141, §16; 2014 Acts, ch 1061, §11 – 14; 2014 Acts, ch 1135, §18, 19; 2016 Acts, ch 1038, §2; 2018 Acts, ch 1163, §15 – 19

261.115 Health care professional recruitment program.

1. A health care professional recruitment program is established to be administered by the college student aid commission for students who graduate from an academic program at an eligible institution that leads to licensure as a health care professional. The program shall consist of a loan repayment program for health care professionals. The commission shall regularly adjust the service requirement under each aspect of the program to provide, to the extent possible, an equal financial benefit for each period of service required.

2. A health care professional shall be eligible for the loan repayment program if the health care professional agrees to practice in an eligible rural community in this state. Eligible institutions offering academic programs that lead to licensure as a health care professional shall recruit and place health care professionals in rural communities which have agreed to provide additional funds for the recipient’s loan repayment. The contract for the loan repayment shall stipulate the time period the recipient shall practice in an eligible rural community in this state. In addition, the contract shall stipulate that the recipient repay

any funds paid on the recipient's loan by the commission if the recipient fails to practice in an eligible rural community in this state for the required period of time.

3. A loan repayment recipient who refinances an eligible loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#).

4. A health care professional recruitment fund is created in the state treasury as a separate fund under the control of the commission for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding [section 8.33](#), any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain in the fund and be continuously available for loan repayment under the program. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the fund shall be credited to the fund.

5. For purposes of [this section](#):

a. "Eligible institution" means an institution of higher learning governed by the state board of regents or an accredited private institution as defined in [section 261.9](#).

b. "Eligible rural community" means a medically underserved rural community which agrees to match state funds provided on at least a dollar-for-dollar basis for the loan repayment of a health care professional who practices in the community.

c. "Health care professional" means an athletic trainer, occupational therapist, physician, physician assistant, podiatrist, or physical therapist who is licensed, accredited, registered, or certified to perform specified health care services consistent with state law.

6. The commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[C77, 79, 81, §261.19]

87 Acts, ch 115, §38; 89 Acts, ch 319, §46; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §51; 97 Acts, ch 134, §1; 2000 Acts, ch 1058, §30; 2000 Acts, ch 1095, §12; 2000 Acts, ch 1223, §27; 2004 Acts, ch 1175, §91; 2009 Acts, ch 177, §26; 2011 Acts, ch 132, §12, 106; 2012 Acts, ch 1132, §10; 2014 Acts, ch 1026, §71; 2014 Acts, ch 1061, §16

C2015, §261.115

2020 Acts, ch 1007, §4, 5, 7, 8; 2021 Acts, ch 117, §1 – 3

2020 amendments to section apply retroactively to January 1, 2019, for recipients of loan repayment; 2020 Acts, ch 1007, §8 Subsections 1 and 2 amended

Subsection 5, NEW paragraph a and former paragraph a redesignated as b Subsection 5, former paragraph b amended and redesignated as c

261.116 Health care loan repayment program.

1. *Definitions.* For purposes of [this section](#), unless the context otherwise requires:

a. "Advanced registered nurse practitioner" means a person licensed as a registered nurse under [chapter 152](#) or [152E](#) who is licensed by the board of nursing as an advanced registered nurse practitioner.

b. "Nurse educator" means a registered nurse who holds a master's degree or doctorate degree and is employed by a community college, an accredited private institution, or an institution of higher education governed by the state board of regents as a faculty member to teach nursing at a nursing education program approved by the board of nursing pursuant to [section 152.5](#).

c. "Physician assistant" means a person licensed as a physician assistant under [chapter 148C](#).

d. "Qualified student loan" means a loan that was made, insured, or guaranteed under Tit. IV of the federal Higher Education Act of 1965, as amended, or under Tit. VII or VIII of the federal Public Health Service Act, as amended, directly to the borrower for attendance at an approved postsecondary educational institution.

e. "Service commitment area" means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more.

2. *Program established.* A health care loan repayment program is established to be administered by the commission for purposes of repaying the qualified student loans of registered nurses, advanced registered nurse practitioners, physician assistants, and nurse educators who practice full-time in a service commitment area or teach in this state, as appropriate, and who are selected for the program in accordance with [this section](#).

An applicant who is a member of the Iowa national guard is exempt from the service commitment area requirement, but shall submit an affidavit verifying the applicant is practicing full-time in this state.

3. *Application requirements.* Each applicant for loan repayment shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for loan repayment. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed loan repayment will be evaluated and determined.

c. Complete and return, on a form approved by the commission, an affidavit of practice verifying that the applicant is a registered nurse, an advanced registered nurse practitioner, or a physician assistant who is practicing full-time in a service commitment area in this state or is a nurse educator who teaches full-time in this state. If practice in a service commitment area is required as a condition of receiving loan repayment, the affidavit shall specify the service commitment area in which the applicant is practicing full-time.

4. *Loan repayment amounts.* The annual amount of loan repayment provided to a recipient under [this section](#) shall not exceed six thousand dollars, or twenty percent of the recipient's total qualified student loan, whichever amount is less. A recipient is eligible for the loan repayment program for not more than five consecutive years.

5. *Refinanced loans.* A loan repayment recipient who refinances a qualified student loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#) if the amount of loan repayment does not exceed the lesser of the amount specified in [subsection 4](#) or the balance of the loan repayment amount the loan repayment recipient qualified to receive with the qualified student loan.

6. *Selection criteria.* The commission shall establish by rule the evaluation criteria to be used in evaluating applications submitted under [this section](#). Priority shall be given to applicants who are residents of Iowa and, if requested by the adjutant general, to applicants who are members of the Iowa national guard.

7. *Health care loan repayment fund.* A health care loan repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding [section 8.33](#), moneys deposited in the health care loan repayment fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the loan repayment fund and be continuously available for loan repayment under the program. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the health care loan fund shall be credited to the fund.

8. *Report.* The commission shall submit in a report to the general assembly by January 1, annually, the number of individuals who received loan repayment pursuant to [this section](#), where the participants practiced or taught, the amount paid to each program participant, and other information identified by the commission as indicators of outcomes of the program.

9. *Rules.* The commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

2002 Acts, ch 1131, §1

C2003, §261.23

2003 Acts, ch 108, §47; 2007 Acts, ch 214, §26; 2009 Acts, ch 118, §49, 50, 54; 2014 Acts, ch 1061, §16

C2015, §261.116

2018 Acts, ch 1163, §20; 2020 Acts, ch 1007, §6 – 8

Referred to in §261.2, 261.114

2020 amendment to section applies retroactively to January 1, 2019, for recipients of loan repayment; 2020 Acts, ch 1007, §8

261.117 through 261.119 Reserved.

261.120 Rural veterinarian loan repayment program — fund — appropriations.

1. *Definitions.* For purposes of [this section](#), unless the context otherwise requires:

a. "Eligible loan" means the veterinarian's total federally guaranteed Stafford loan amount

under the federal family education loan program or the federal direct loan program, or the recipient's federal grad plus loans, including principal and interest.

b. "Practice of food supply veterinary medicine" includes corporate and private practices devoted to food animal medicine, mixed animal medicine located in a rural area, food safety, epidemiology, public health, animal health, and other public and private practices that contribute to the production of a safe and wholesome food supply.

c. "Rural service commitment area" means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more and which provides a dollar contribution equivalent to twelve and one-half percent of the veterinarian's total eligible loan amount upon graduation for deposit in the rural veterinary care trust fund.

d. "Veterinary shortage area" means a designated veterinary service shortage situation in Iowa identified and nominated by the state veterinarian, or recommended for designation in accordance with the federal National Veterinary Medical Service Act, 7 U.S.C. §3101 et seq., and published by the United States department of agriculture.

2. *Program established.* A rural veterinarian loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for individuals who agree to practice as veterinarians in rural service commitment areas or in veterinary shortage areas in Iowa for four years and meet the requirements of [this section](#). The commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#). The commission may accept gifts, grants, bequests, and other private contributions, as well as state or federal moneys, for deposit in the fund created under [subsection 10](#).

3. *Eligibility.*

a. An individual is eligible to apply to enter into a program agreement with the commission if the individual meets any of the following requirements:

(1) Is enrolled in the final year of a doctor of veterinary medicine degree program at a college of veterinary medicine accredited by the American veterinary medical association council on education.

(2) Is a veterinarian licensed pursuant to [chapter 169](#) who, within five years of applying for this program, received a doctor of veterinary medicine degree from a college of veterinary medicine accredited by the American veterinary medical association council on education.

b. An individual who participated in and received loan repayment awards through the veterinary medicine loan repayment program administered by the United States department of agriculture, national institute of food and agriculture, is ineligible to enter into a program agreement under [this section](#).

4. *Program agreements.* A program agreement shall be entered into by an individual and the commission if the individual meets the requirements of [subsection 3](#). Under the agreement, to receive loan repayments pursuant to [subsection 6](#), the individual shall fulfill all of the following requirements:

a. Receive or possess a doctor of veterinary medicine degree, or the equivalent, from a college of veterinary medicine accredited by the American veterinary medical association council on education.

b. Possess, or apply for and obtain, a license to practice veterinary medicine under [chapter 169](#).

c. Secure an offer of employment or establish and maintain a practice in a veterinary shortage situation or rural service commitment area and engage in the full-time practice of veterinary medicine for a period of four consecutive years after entering into the agreement in the veterinary shortage area or rural service commitment area, unless the loan repayment recipient receives a waiver from the commission to complete the years of practice required under the agreement in another veterinary shortage area or rural service commitment area pursuant to [subsection 7](#).

5. *Priority to certain applicants.* The commission shall give priority to applicants who graduated from a high school in Iowa or completed private instruction under [chapter 299A](#).

6. *Loan repayment amounts.*

a. Unless the agreement entered into under [subsection 4](#) stipulates otherwise, the amount

of loan repayment an individual who enters into an agreement shall receive if in compliance with obligations under the agreement shall not exceed fifteen thousand dollars annually for an eligible loan. Payments under [this section](#) may be made for each year of eligible practice during a period of four consecutive years and shall not exceed a total of sixty thousand dollars or the amount of outstanding eligible loans, whichever amount is less.

b. Subject to the availability of funding for this purpose, the commission shall enter into at least five program agreements annually.

7. *Selection of rural service commitment area or veterinary shortage area.* A loan repayment recipient shall notify the commission of the recipient's rural service commitment area or veterinary shortage area prior to beginning practice in the area in accordance with [subsection 4](#), paragraph "c". The commission may waive the requirement that the loan repayment recipient practice in the same rural service commitment area or veterinary shortage area for all four years.

8. *Rural service commitment area or veterinarian shortage area priority.*

a. When possible, the commission shall enter into agreements under [subsection 4](#) with individuals who agree to practice in areas in the following priority order:

(1) Private practice food supply veterinary medicine in any veterinary shortage area.

(2) Private practice food supply veterinary medicine in a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more, especially in remote or economically depressed rural areas.

(3) Animal veterinary medicine in a rural service commitment area.

b. Notwithstanding paragraph "a", the commission may consult with the state veterinarian to determine prioritization in accordance with [this subsection](#).

9. *Postponement and satisfaction of service obligation.*

a. The obligation to engage in practice in accordance with [subsection 4](#) shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of rural service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time practice as required under [subsection 4](#), paragraph "c".

b. Except for a postponement under paragraph "a", subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to [subsection 4](#) shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

c. An obligation to engage in full-time practice under an agreement entered into pursuant to [subsection 4](#) shall be considered satisfied when any of the following conditions are met:

(1) The terms of the agreement are completed.

(2) The person who entered into the agreement dies.

(3) The person who entered into the agreement, due to a permanent disability, is unable to practice veterinary medicine.

(4) The commission waives the requirement that the person who entered into the agreement fulfill the obligation to engage in practice.

d. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with [subsection 4](#), the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with [subsection 4](#) may also be subject to repayment of moneys advanced by the rural service commitment area as provided in any agreement with the rural service commitment area.

10. *Trust fund established.* A rural veterinary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission may accept gifts, grants, bequests, and other private contributions, as well as state or federal moneys, for deposit in the fund. The commission shall remit all repayments made pursuant to [this section](#) to the rural veterinary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of [this section](#) and increasing the number of veterinarians participating in the program. Moneys in the fund up to the total amount that an eligible individual may receive for an eligible loan in accordance with [this section](#) and upon fulfilling the requirements of [subsection 4](#), shall be considered encumbered for the duration of the agreement entered into pursuant to [subsection 4](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) and to increase the number of veterinarians participating in the program in subsequent fiscal years.

[2020 Acts, ch 1049, §1](#); [2021 Acts, ch 76, §53, 54](#)

Subsection 3, paragraph a, subparagraphs (1) and (2) amended
Subsection 4, paragraph a amended

SUBCHAPTER XV LICENSING SANCTIONS

261.121 through 261.127 Repealed by 2019 Acts, ch 13, §3.

SUBCHAPTER XVI HEALTH CARE PROFESSIONAL INCENTIVE PAYMENT PROGRAM

261.128 Health care professional incentive payment program — repeal. Repealed by its own terms; [2015 Acts, ch 30, §216](#).

SUBCHAPTER XVII IOWA NEEDS NURSES NOW INITIATIVE

261.129 Iowa needs nurses now initiative. Repealed by 2017 Acts, ch 172, §43.

SUBCHAPTER XVIII SKILLED WORKFORCE SHORTAGE TUITION GRANT PROGRAM

261.130 Skilled workforce shortage tuition grant program.

1. A skilled workforce shortage tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time or part-time student in a career-technical or career option program to pursue an associate's degree or other training at a community college in the state, and who establishes financial need.

2. Skilled workforce shortage tuition grants shall be awarded only to students pursuing a career-technical or career option program in an industry identified as having a shortage of skilled workers by a community college after conducting a regional skills gap analysis or as being a high-demand job by the department of workforce development in the department's most recent list of high-demand jobs. If a community college no longer identifies the industry as having a shortage of skilled workers or the department no longer identifies the industry as a high-demand job, an eligible student who received a grant for a career-technical or career option program based on that identification shall continue to receive the grant until achieving

a postsecondary credential, up to an associate degree, as long as the student is continuously enrolled in that program and continues to meet all other eligibility requirements.

3. The amount of a skilled workforce shortage tuition grant shall not exceed the lesser of one-half of a student's tuition and fees for an approved career-technical or career option program or the amount of the student's established financial need.

4. All classes identified by the community college as required for completion of the student's approved career-technical or career option program shall be considered a part of the student's career-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding [subsection 5](#), if a student is making satisfactory academic progress but the student cannot complete a career-technical or career option program in the time frame allowed for a student to receive a skilled workforce shortage tuition grant as provided in [subsection 5](#) because additional classes are required to complete the program, the student may continue to receive a skilled workforce shortage tuition grant for not more than one additional enrollment period.

5. a. A qualified full-time student may receive skilled workforce shortage tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive skilled workforce shortage tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

b. 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.

6. A skilled workforce shortage tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the community college that the student is in full-time or part-time attendance in a career-technical or career option program consistent with the requirements of [this section](#). If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the community college to the state.

7. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

8. The commission shall administer this program and shall:

a. Provide application forms for distribution to students by Iowa high schools and community colleges.

b. Adopt rules for approving career-technical or career option programs in industries identified by the department of workforce development; determining financial need; defining residence for the purposes of [this section](#); processing and approving applications for grants; and determining priority for grants.

c. Approve and award grants on an annual basis.

d. Make an annual report to the governor and general assembly. The report shall include the number of students receiving assistance and the industries identified by the community colleges and by the department of workforce development for which students were admitted to a career-technical or career option program.

9. Each applicant, in accordance with the rules established by the commission, shall:

a. Complete and file an application for a skilled workforce shortage tuition grant.

b. Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

c. Report promptly to the commission any information requested.

d. Submit a new application for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

[2012 Acts, ch 1132, §20](#); [2019 Acts, ch 31, §1, 2](#); [2020 Acts, ch 1063, §102](#)

Transfer of \$400,000 from moneys appropriated to the commission for skilled workforce shortage tuition grants to the future ready Iowa skilled workforce last-dollar scholarship fund; [2021 Acts, ch 170, §5, 24, 25](#)

261.131 Future ready Iowa skilled workforce last-dollar scholarship program.

1. *Definitions.* As used in [this section](#), unless the context otherwise requires:

a. “*Adult learner*” means a person who, following receipt of a high school diploma or high school equivalency diploma and on or after attaining the age of twenty, enrolls on a full-time or part-time basis in an eligible program at an eligible institution and maintains continuous enrollment on a full-time or part-time basis in subsequent terms to receive additional awards. A person’s age for purposes of this paragraph shall be calculated on July 1 prior to the year of enrollment in an eligible institution.

b. “*Approved state-recognized work-based learning program*” means a structured educational and training program that includes authentic worksite training and is approved by the department of education according to a process established under rules adopted pursuant to [section 256.7, subsection 34](#).

c. “*Commission*” means the college student aid commission.

d. “*Credential*” means a postsecondary certificate, diploma, or degree, conferring no more than an associate degree, awarded by an eligible institution and earned in a program of study that leads to a high-demand job and is authorized for federal student aid under Tit. IV of the federal Higher Education Act of 1965, as amended.

e. “*Eligible institution*” means a community college as defined in [section 260C.2](#) or an accredited private institution as defined in [section 261.9](#), that meets all of the following criteria:

(1) Applies to and is approved by the commission to participate in the future ready Iowa skilled workforce last-dollar scholarship program.

(2) Requires eligible students to complete and file application forms required by the commission, apply for all available state and federal financial aid, apply to the eligible institution to participate in the program, attend orientation in person or virtually, register for classes with the assistance of an academic advisor, and participate in academic and career advising sessions offered under the program.

(3) Facilitates, in collaboration with the commission on volunteer service created in [section 15H.2](#), the assignment of a volunteer mentor to each eligible student, based on the eligible student’s interest. The volunteer mentor shall have successfully passed a background investigation and a check of the national sex offender registry as required under [section 15H.10, subsection 2](#), and both the eligible student and the volunteer mentor shall have entered into a written agreement as provided in [section 15H.10, subsection 3](#).

(4) Facilitates connections through campus career centers and services to internships and similar local, state, and federal programs.

(5) Markets the eligible institution’s future ready Iowa program of study and optional incentives, which may include but not be limited to credit for military experience, on the eligible institution’s internet site and to other relevant agencies and organizations as recommended by the college student aid commission, the commission on volunteer service, or the department of workforce development.

(6) Submits annually information and data regarding the eligible program operated by the eligible institution, the students and volunteer mentors participating in the eligible program, scholarship recipient eligible program completion results, and statistics on employment outcomes for eligible program participants by industry, to the commission in the manner required by the commission.

f. “*Eligible program*” means a program of study or an academic major jointly approved by the commission and the department of workforce development, in consultation with an eligible institution, that leads to a credential aligned with a high-demand job designated by the workforce development board or a community college pursuant to [section 84A.1B, subsection 14](#). If the board or a community college removes a high-demand job from a list created under [section 84A.1B, subsection 14](#), an eligible student who received a scholarship for a program based on that high-demand job shall continue to receive the scholarship until achieving a postsecondary credential, up to an associate degree, as long as the student continues to meet all other eligibility requirements.

g. “*Eligible student*” means an Iowa resident who meets all of the following requirements:

(1) Is any of the following:

(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 during the academic year, or part-time for a summer semester, in an eligible program at an eligible institution.

(b) A graduate of an Iowa high school or a person who completed private instruction under [chapter 299A](#), or a recipient of a high school equivalency diploma, and who prior to becoming an adult learner, enters into full-time or part-time employment as part of an approved state-recognized work-based learning program, and enrolls full-time or part-time in an eligible program in an eligible institution.

(c) An adult learner who is at least age twenty at the beginning of the state fiscal year, who has received a high school diploma or a high school equivalency diploma, and who enrolls in an eligible program in an eligible institution as a full-time or part-time student.

(2) Completes and submits application forms required by the commission, including the free application for federal student aid; applies for all available state and federal financial aid; attends orientation in person or virtually; registers for classes with the assistance of an academic advisor; and participates in academic and career advising sessions required under the eligible program. To receive a renewal of a scholarship awarded under [this section](#), an eligible student must annually submit a new application to the commission for reevaluation of eligibility.

(3) Is making satisfactory academic progress as defined by the eligible institution.

(4) Remains continuously enrolled unless granted a leave of absence by the eligible institution based on criteria adopted by rule by the commission.

h. “Full-time” means enrollment in at least twelve semester hours or the equivalent.

i. “Part-time” means enrollment in at least six but less than twelve semester hours or the equivalent.

2. *Allowable activities.* An eligible student may work with an assigned volunteer mentor to help the student meet the requirements of [this section](#) or the requirements of an eligible program, identify and participate in work-based learning opportunities with the approval of the eligible institution, and make other career-related connections.

3. *Scholarship limitations — requirements.*

a. For an eligible student who is attending an eligible institution that is a community college during the fall, spring, or summer term of enrollment, and is pursuing a postsecondary credential up to an associate degree, the annual amount of a future ready Iowa skilled workforce last-dollar scholarship, when combined with other state and federal nonrepayable student aid, shall not exceed an amount equivalent to the tuition and any mandatory institution-wide fees charged by the community college for the eligible program. For an eligible student pursuing a postsecondary credential up to an associate degree at an eligible institution that is an accredited private institution during the fall, spring, or summer term of enrollment, the annual amount of a future ready Iowa skilled workforce last-dollar scholarship, when combined with other state and federal nonrepayable student aid, shall not exceed an amount equivalent to the average tuition rate plus the average institution-wide mandatory fees charged during the same term of enrollment by the eligible institutions that are community colleges.

b. If an eligible student receives nonrepayable financial aid under any other state or federal program, the full amount of that aid shall be considered part of the student’s available financial resources before determining the amount of the student’s future ready Iowa skilled workforce last-dollar scholarship for the same period during which the student receives other state or federal financial aid. However, each eligible student enrolled full-time in an eligible program shall receive at least five hundred dollars annually, and the amount received by each eligible part-time student shall be the same amount prorated by the commission based on the number of semester hours, or the equivalent, for which the part-time student is enrolled.

c. A full-time eligible student may receive a future ready Iowa skilled workforce last-dollar scholarship for not more than five semesters, or the equivalent, or until the eligible student earns the credential sought, up to an associate degree, under the program, whichever occurs first. A part-time eligible student may receive the scholarship for not more than eight semesters, or the equivalent, on a prorated basis, or until the eligible student

earns the credential sought, up to an associate degree, under the eligible program, whichever occurs first. All classes identified by an eligible institution as required for completion of the eligible program by the eligible student shall be considered required under the eligible program for purposes of [this section](#).

d. A future ready Iowa skilled workforce last-dollar scholarship shall be awarded on an annual basis, requiring reapplication by an eligible student each year. Scholarship payments shall be allocated equally among the semesters, or the equivalent, and paid upon certification by the eligible institution that the student meets the requirements of [subsection 1](#), paragraph “g”.

e. If a scholarship recipient discontinues attendance before the end of any semester, or the equivalent, after receiving scholarship payments, the entire amount of any refund due that recipient, up to the full amount of all of the annual scholarship payments made, shall be paid by the eligible institution to the commission. A scholarship recipient, who is not approved for a leave of absence by the eligible institution, who discontinues attendance before the end of a semester, or the equivalent, is ineligible to receive future scholarships under [this section](#).

4. *Commission’s duties and responsibilities.* Subject to an appropriation of funds by the general assembly for purposes of [this section](#), the commission shall administer the future ready Iowa skilled workforce last-dollar scholarship program and shall do all of the following:

a. Provide application forms for distribution to students by high schools and eligible institutions.

b. Adopt rules under [chapter 17A](#), in collaboration with the department of workforce development, for administration of [this section](#), including but not limited to establishing the duties and responsibilities of eligible institutions under the program; defining residence and satisfactory academic progress for purposes of the program; and establishing procedures for scholarship application, processing, and approval. The rules shall provide for determining the priority awarding of scholarships if funds available for purposes of [this section](#) are insufficient to pay all eligible students. Priority shall be given to fully awarding each eligible student approved for a scholarship rather than to prorating scholarship awards among all eligible students.

c. Approve and award future ready Iowa skilled workforce last-dollar scholarships on an annual basis.

d. Transmit to the department of workforce development the compilation of information, data, and statistics submitted in accordance with [subsection 1](#), paragraph “e”, subparagraph (6), for the annual report required under [section 84A.1B](#).

5. *Fund created.* A future ready Iowa skilled workforce last-dollar scholarship fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the commission to be used for scholarships awarded as provided under [this section](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) in subsequent fiscal years.

[2018 Acts, ch 1067, §12, 15; 2018 Acts, ch 1172, §24; 2020 Acts, ch 1117, §16, 17](#)

Referred to in [§15H.10, 84A.1B, 84A.13, 256.7](#)

261.132 Future ready Iowa skilled workforce grant program.

1. *Definitions.* As used in [this section](#), unless the context otherwise requires:

a. “*Commission*” means the college student aid commission.

b. “*Eligible institution*” means an institution of higher learning governed by the state board of regents or an accredited private institution as defined in [section 261.9](#), that meets all of the following criteria:

(1) Applies to and is approved by the commission to participate in the future ready Iowa skilled workforce grant program.

(2) Requires eligible students to complete and file application forms required by the commission, apply for all available state and federal financial aid, apply to the eligible institution to participate in the program, attend orientation in person or virtually, register for

classes with the assistance of an academic advisor, and participate in academic and career advising sessions required under the program.

(3) Certifies that prior to participating in the program an eligible student has earned at least half of the credits necessary for a bachelor's degree and is able to complete a bachelor's degree in an eligible program of study or academic major leading to a designated high-demand job in the prescribed grant time frame.

(4) Facilitates the assignment of a volunteer mentor to each eligible student based on the eligible student's interest. The volunteer mentor shall have successfully passed a background investigation and a check of the national sex offender registry as required under [section 15H.10, subsection 2](#), and both the eligible student and the volunteer mentor shall have entered into a written agreement as provided in [section 15H.10, subsection 3](#).

(5) Facilitates connections through campus career centers and services to internships and similar local, state, and federal programs.

(6) Markets the eligible institution's eligible program and optional incentives, which may include but not be limited to credit for military experience, on the eligible institution's internet site and to other relevant agencies and organizations as recommended by the college student aid commission, the commission on volunteer service, or the department of workforce development.

(7) Submits annually information and data regarding the eligible program operated by the eligible institution, the students and volunteer mentors participating in the eligible program, and statistics on employment outcomes for eligible program participants by industry, to the commission in the manner required by the commission.

c. "Eligible program" means a program of study or an academic major jointly approved by the commission and the department of workforce development, in consultation with the eligible institution, that leads to a bachelor's degree aligned with a high-demand job designated by the workforce development board pursuant to [section 84A.1B, subsection 14](#). If the department removes a high-demand job from the list created under [section 84A.1B, subsection 14](#), an eligible student who received a grant for a program based on that high-demand job shall continue to receive the grant until achieving a bachelor's degree as long as the student continues to meet all other eligibility requirements.

d. "Eligible student" means an Iowa resident who meets all of the following requirements:

(1) Has earned at least half of the credits necessary for a bachelor's degree and is able to complete a bachelor's degree in an eligible program of study or academic major leading to a designated high-demand job in the prescribed grant time frame.

(2) Completes and submits application forms required by the commission, including the free application for federal student aid; applies for all available state and federal financial aid; attends orientation in person or virtually; registers for classes with the assistance of an academic advisor; and participates in academic and career advising sessions required under the eligible program. To receive a renewal of a grant awarded under [this section](#), an eligible student must annually submit a new application to the commission for reevaluation of eligibility.

(3) Has not been enrolled in postsecondary education during the twenty-four months preceding the date on which the commission receives the individual's application to participate in the program.

(4) Enrolls in at least six semester hours, or the equivalent, in an eligible program. However, an eligible student may enroll in fewer than six semester hours, or the equivalent, if the eligible student needs fewer than six semester hours of credit, or the equivalent, to achieve a bachelor's degree under the eligible program.

(5) Is making satisfactory academic progress as defined by the eligible institution.

(6) Remains continuously enrolled unless granted a leave of absence by the eligible institution based on criteria adopted by rule by the commission.

e. "Full-time" means enrollment in at least twelve semester hours or the equivalent.

f. "Part-time" means enrollment in at least six but less than twelve semester hours or the equivalent.

2. *Allowable activities.* An eligible student may work with an assigned volunteer mentor to help the student meet the requirements of [this section](#) or the requirements of an eligible

program, identify and participate in work-based learning opportunities with the approval of the eligible institution, and make other career-related connections.

3. *Grant limitations — requirements.*

a. A full-time eligible student may receive a future ready Iowa skilled workforce grant annually for not more than four semesters, or the equivalent, or until the eligible student earns a bachelor's degree under the program, whichever occurs first. A part-time eligible student may receive the grant for not more than eight semesters, or the equivalent, on a prorated basis, or until the eligible student earns a bachelor's degree under the eligible program, whichever occurs first.

b. The amount of a future ready Iowa skilled workforce grant to a full-time eligible student shall be at least one thousand dollars annually. The amount of a future ready Iowa skilled workforce grant to a part-time eligible student shall be equal to the amount that would be awarded to a full-time student except that the commission shall prorate the amount based on the recipient student's semester hour or equivalent enrollment.

c. A future ready Iowa skilled workforce grant shall be awarded on an annual basis, requiring reapplication by an eligible student each year. Payments under the grant shall be allocated equally among the semesters, or the equivalent, and paid upon certification by the eligible institution that the student meets the requirements of [subsection 1](#), paragraph "d".

d. If a grant recipient discontinues attendance before the end of any semester, or the equivalent, after receiving grant payments, the entire amount of any refund due that recipient, up to the full amount of grant payments made during that semester, or the equivalent, shall be paid by the eligible institution to the commission.

4. *Commission's duties and responsibilities.* Subject to an appropriation of funds by the general assembly for purposes of [this section](#), the commission shall administer the future ready Iowa skilled workforce grant program and shall do all of the following:

a. Provide application forms for distribution to students by eligible institutions.

b. Adopt rules under [chapter 17A](#), in collaboration with the department of workforce development, for administration of [this section](#), including but not limited to establishing the duties and responsibilities of eligible institutions under the program; defining residence and satisfactory academic progress for purposes of the program; and establishing procedures for grant application, processing, and approval. The rules shall provide for determining the priority awarding of grants if funds available for purposes of [this section](#) are insufficient to pay all eligible students. Priority shall be given to fully awarding eligible students approved for grants based on the date of application, rather than prorating grant awards among all eligible students.

c. Approve and award grants on an annual basis.

d. Transmit to the department of workforce development the compilation of information, data, and statistics submitted in accordance with [subsection 1](#), paragraph "b", subparagraph (7), for the annual report required under [section 84A.1B](#).

5. *Fund created.* A future ready Iowa skilled workforce grant fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the commission to be used for grants awarded as provided under [this section](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) in subsequent fiscal years.

6. *New awards prohibited.* For the fiscal year beginning July 1, 2021, and each succeeding fiscal year, the commission shall not award a future ready Iowa skilled workforce grant to any new applicant, but may award a future ready Iowa skilled workforce grant to an applicant who received a grant awarded under the program in the fiscal year beginning July 1, 2020, and who continues to meet the eligibility requirements of [this section](#).

2018 Acts, ch 1067, §13, 15; 2021 Acts, ch 170, §20

Referred to in §15H.10, 84A.1B, 84A.13

Transfer of moneys from the future ready Iowa skilled workforce grant fund to the future ready Iowa skilled workforce last-dollar scholarship fund; 2021 Acts, ch 170, §5, 24, 25

NEW subsection 6