

# **CHAPTER 4**

## **IOWA TUITION GRANT PROGRAM**

### **Not-For-Profit**

#### **Overview**

The Iowa Tuition Grant (ITG) Program assists students who attend independent postsecondary institutions in Iowa. Iowa residents currently enrolled, or planning to enroll, for at least three semester hours at one of the eligible Iowa postsecondary institutions may apply. The statutory maximum award is set at \$5,000, although the maximum award set for an academic year may be less depending on the funding available and number of projected recipients. Grants may not exceed the difference between the independent college and university tuition and mandatory fees (per semester credit hour) and the average tuition and fees (per semester credit hour) at the three public Regent universities.

**Established:** May, 1969

**Funding:** The following pages provide a summary of Iowa Tuition Grant funding.

<b>IOWA TUITION GRANT PROGRAM FUNDING HISTORY</b>			
<b>ACADEMIC YEAR</b>	<b>STATE APPROPRIATION</b>	<b>SSIG/LEAP<sup>1</sup> FUNDS</b>	<b>TOTAL FUNDING</b>
*1969-70	\$1,500,000	\$0	\$1,500,000
1970-71	\$3,000,000	\$0	\$3,000,000
1971-72	\$4,000,000	\$0	\$4,000,000
1972-73	\$4,000,000	\$0	\$4,000,000
1973-74	\$6,000,000	\$0	\$6,000,000
1974-75	\$6,000,000	\$11,410	\$6,011,410
1975-76	\$9,000,000	\$1,300	\$9,001,300
1976-77	\$9,500,000	\$27,294	\$9,527,294
1977-78	\$10,500,000	\$240,238	\$10,740,238
1978-79	\$12,180,000	\$28,600	\$12,208,600
1979-80	\$13,750,000	\$107,725	\$13,857,725
1980-81	\$14,750,000	\$134,356	\$14,884,356
1981-82	\$14,071,500	\$51,659	\$14,123,159
1982-83	\$15,650,000	\$0	\$15,650,000
1983-84	\$19,166,600	\$7,707	\$19,174,307
1984-85	\$20,583,500	\$0	\$20,583,500
1985-86	\$21,563,270	\$27,995	\$21,591,265
1986-87	\$20,733,085	\$26,956	\$20,760,041
1987-88	\$24,294,765	\$94,005	\$24,388,770
1988-89	\$28,894,765	\$0	\$28,894,765
1989-90	\$30,682,505	\$0	\$30,682,505
1990-91	\$32,512,800	\$0	\$32,512,800
1991-92	\$31,146,867	\$0	\$31,146,867
1992-93	\$30,523,930	\$207,000	\$30,730,930
1993-94	\$31,523,930	\$0	\$31,523,930
1994-95	\$32,422,362	\$61,216	\$32,483,578
1995-96	\$35,664,750	\$0	\$35,664,750
1996-97	\$38,664,750	\$0	\$38,664,750
1997-98	\$41,664,750	\$0	\$41,664,750
1998-99	\$44,664,750	\$0	\$44,664,750
1999-00	\$47,664,750	\$0	\$47,664,750
2000-01	\$48,830,075	\$0	\$48,830,075
**2001-02	\$48,830,075	\$0	\$48,830,075
***2002-03	\$47,155,382	\$0	\$47,155,382
****2003-04	\$46,417,964	\$0	\$46,417,964

<sup>1</sup>State Student Incentive Grant Program name changed to Leveraging Educational Assistance Partnership Program in 1999.

\*Administrative allowances totaling \$47,500 were deducted from the grant funding for 1969-70 by Legislative action.

\*\*Reduced mid-year to \$46,730,382; restored by \$425,000 "put back" by Legislature and \$411,000 reserves to \$47,566,385.

\*\*\*Reduced by \$1,037,418 to \$46,117,964.

\*\*\*\*Reduced mid-year to \$45,257,515; restored by \$185,000 state reserves to \$45,442,515.

Beginning in academic year 2004-05, the General Assembly provided for a division in Iowa Tuition Grant funding for independent and proprietary colleges and universities.

<b>IOWA TUITION GRANT PROGRAM FUNDING HISTORY INDEPENDENT COLLEGES AND UNIVERSITIES</b>			
<b>ACADEMIC YEAR</b>	<b>STATE APPROPRIATION</b>	<b>LEAP FUNDS</b>	<b>TOTAL FUNDING</b>
2004-05	\$43,757,515	\$0	\$43,757,515
*2005-06	\$44,706,218	\$0	\$44,706,218
*2006-07	\$46,506,218	\$0	\$46,506,218
**2007-08	\$48,273,718	\$0	\$48,273,718
***2008-09	\$49,322,613	\$0	\$49,322,613
****2009-10	\$42,491,762	\$0	\$42,491,762
2010-11	\$44,013,448	\$0	\$44,013,448
2011-12	\$43,513,448	\$0	\$43,513,448
2012-13	\$45,513,448	\$0	\$45,513,448
2013-14	\$47,013,448	\$0	\$47,013,448
2014-15	\$48,413,448	\$0	\$48,413,448

\* Includes \$50,000 designated for Nursing Forgivable Loans.

\*\* Does not include \$100,000 earmark designated for Nursing Forgivable Loans.

\*\*\* State Appropriation was reduced by 1.5% (listed appropriation includes the reduction)

\*\*\*\* Reduced by 10% due to across the board cut (listed appropriation includes the reduction)

## **A. ELIGIBILITY**

### **1. College and University**

The Code of Iowa limits eligibility to Iowa colleges and universities that:

- Are accredited by the Higher Learning Commission of the North Central Association of Colleges and Universities (HLC); and,
- Are exempt from taxation under 501(c)(3) of the Internal Revenue Code; and,
- Meet the requirements of Iowa Code Section 261.9; and,
- Agree to provide institutional matching financial aid dollars as described in Iowa Code 261.9; or
- Are specialized colleges accredited by the HLC (NCA) that offer health professional programs affiliated with health care systems in Iowa.

Each college or university must complete an application for participation in the Iowa Tuition Grant Program. College and university officials must submit the application and supporting documentation establishing accreditation or accreditation plans by January 1 prior to the application year in which they want to participate. If the college or university's application is approved, students at the college or university may begin submitting need analysis applications (FAFSAs) on the following January to apply for funds. In summary, if a college application is received prior to January 1 and approved, the earliest students attending that college could apply for Iowa Tuition Grant funding would be the following January 1.

Colleges and universities may lose eligibility for the Iowa Tuition Grant Program if HLC (NCA) accreditation is lost or suspended or if the college or university is removed from HLC (NCA) candidate status. College and university officials at colleges or universities that have HLC (NCA) accreditation suspended or withdrawn by the HLC (NCA) must notify the Commission immediately of the change in status.

### **Matching Funds Requirement**

Each college or university must provide a matching amount of institutional financial aid. During academic year 2004-05, the first year of the match requirement, the match was set by the General Assembly at 75 percent of the amount received by the college or university's students for Iowa Tuition Grants. The match requirement increases each year by the percentage increase in the appropriation made by the General Assembly. During the 2013-14 academic year the college or university match was 99 percent. **Since the appropriation increased by 3% between 2013-14 and 2014-15, the college or university match will increase to 100% for 2014-15.** The required match will not exceed 100 percent of the amount provided to students under the Iowa Tuition Grant Program. College and university officials must provide information concerning matching dollars at the end of each academic year. Failure to meet the match will cause a college or university to become ineligible for participation beginning the next academic year.

When reporting matching funds, colleges and universities should include all institutional funds that are included on an ITG recipient's financial aid award as institutional matching dollars. If work-study funding is being reported as matching dollars, only the portion of work-study payment that is institutional dollars may be included – no federal or state dollars may be included in the college or university matching funds. The institutional match should include matching funds provided to students during terms in which the students are eligible to receive Iowa Tuition Grant awards. If matching funds are reported in the State Scholarship and Grant Reporting System in terms that a student did not receive an ITG award, those funds will be removed at the end of the year. Summer dollars should be included only if the student is eligible for an Iowa Tuition Grant during the summer term.

Students attending the colleges and universities listed on the following table are eligible to receive Iowa Tuition Grant awards.

<b>Iowa Tuition Grant Participating Colleges and Universities</b>	
<b><u>Independent Colleges and Universities</u></b>	
Allen College	Waterloo
AIB College of Business	Des Moines
Briar Cliff University	Sioux City
Buena Vista University	Storm Lake
Central College	Pella
Clarke University	Dubuque
Coe College	Cedar Rapids
Cornell College	Mount Vernon
Dordt College	Sioux Center
Drake University	Des Moines
Emmaus Bible College	Dubuque
Faith Baptist Bible College	Ankeny
Graceland University	Lamoni
Grand View University	Des Moines
Grinnell College	Grinnell
Iowa Wesleyan College	Mt. Pleasant
Loras College	Dubuque
Luther College	Decorah
Maharishi University of Management	Fairfield
Mercy College	Des Moines
Morningside College	Sioux City
Mount Mercy University	Cedar Rapids
Northwestern College	Orange City
St. Ambrose University	Davenport
St. Luke's College	Sioux City
Simpson College	Indianola
University of Dubuque	Dubuque
Upper Iowa University	Fayette
Wartburg College	Waverly
William Penn University	Oskaloosa

## **2. Student**

In addition to the general student eligibility requirements found in Chapter 1, an eligible Iowa Tuition Grant recipient must be currently enrolled or planning to enroll at least part-time (3 hours minimum) in an undergraduate degree program at an eligible Iowa college or university. Neither certificates nor diplomas are considered to be degrees. Only students enrolled in associate or bachelor degree programs meet the criteria as being enrolled in degree seeking programs.

Eligible full-time students may receive up to 8 semesters (or the quarter equivalent) of Iowa Tuition Grant assistance. Part-time students may receive up to 16 semesters (or the quarter equivalent) in assistance.

Students studying abroad through home institutions in Iowa are eligible, as long as they:

- Are enrolled at an eligible home institution,
- Receive credit from that home institution, and
- Pay tuition and fees at the home institution.

### **B. APPLICATION PROCESS**

Students must file Free Applications for Federal Student Aid (FAFSAs) as described in Chapter 1.

### **C. SELECTION OF RECIPIENTS**

Grants are awarded to eligible students by college and university officials to on-time applicants (those meeting the Commission's July 1 priority deadline) whose EFC levels are at or below the parameter defined by the Commission. The Application Receipt Date on the student's Institutional Student Information Record (ISIR) MUST indicate that the student met the priority filing deadline.

Students with Bachelors' degrees may receive Iowa Tuition Grants if they enroll in undergraduate degree programs to receive additional Bachelors' degrees. Students seeking teacher certification may receive Iowa Tuition Grants. Teachers who are already certified and who are seeking additional endorsements are not eligible to receive Iowa Tuition Grants.

In no case may a student exceed the 8 semester award maximum (16 semesters for part-time students).

## D. AWARD AMOUNTS AND LIMITS

With the exception of approved accelerated courses of study, Iowa Tuition Grants are provided only during the traditional 9-month academic year generally defined as September through May. This policy is designed to ensure that students will be eligible to receive Iowa Tuition Grants throughout their undergraduate programs. If awards were provided through the summer term, students could exhaust their 8 semesters of eligibility prior to graduation. Excluding summer term attendance also helps maximize the value of the limited annual appropriation.

Iowa Tuition Grant awards are tuition-restricted in nature. When awarded in combination with other tuition-restricted funds, total tuition-restricted funding that includes an Iowa Tuition Grant cannot exceed total tuition and mandatory fees charged to the recipient. In most cases, the Iowa Tuition Grant award is reduced to comply with this policy. For recipients of Chapter 33 veterans education tuition payments, the Iowa Tuition Grant award can be applied to tuition and mandatory fees prior to the calculation of the Chapter 33 tuition/fee award (guidance established 6/23/11).

The statutory maximum annual (two semesters) Iowa Tuition Grant is set by the Iowa Legislature. The Commission sets the maximum amount of the Grant to be awarded each academic year (not to exceed the statutory maximum), and student awards may not exceed the lesser of the academic year's Grant amount, or the difference between the student's tuition and mandatory fees less the average tuition and fees paid by a Regent student taking the same number of credit hours over the equivalent of two semesters. **Since the program is designed to offset the higher tuition at private institutions, special care is taken to ensure that no recipient receives ITG assistance that makes a private college program less expensive than a comparable program at a Regent university.** Other state-funded programs are not subject to this requirement.

The maximum Iowa Tuition Grant for academic year 2014-15 is **\$4,550** for students attending independent not-for-profit colleges and universities.

When calculating Iowa Tuition Grants (ITG) for students, college and university officials must use the Regent universities' average tuition and fees. For academic year 2014-15, the average tuition and fees for full-time students equals **\$7,853**. The average tuition charge for part-time enrollment is **\$278** per credit hour.

**Independent Not-for-profit Colleges and Universities.** The following calculations are provided specifically for use by independent not-for-profit colleges and universities.

To calculate an ITG for a full-time student, college and university officials must use the following calculation:

$$\text{Full-time Tuition Cost} - \mathbf{\$7,853} = \text{Maximum ITG Award Or} \\ \mathbf{\$4,550} \text{ (whichever is less)}$$

The statutory maximum ITG is \$5,000. The maximum ITG award for academic year 2014-15 has been set at **\$4,550**, and awards may not exceed the lesser of this maximum amount or the student's calculated need.

**Example ITG Calculation:**

	College A	College B
Tuition and Mandatory Fees	\$14,000	\$10,000
Minus Regent Average	<u>- 7,853</u>	<u>- 7,853</u>
Difference	\$6,147	\$2,147
Current Maximum ITG Award	\$4,550	\$4,550
ITG Award for this Student	\$4,550	\$2,147

To calculate an ITG for a part-time student, use actual credit hour costs and subtract the Regent cost for the identical hours:

$$\text{Part-time Tuition Cost} - \text{Regent Part-time Cost} = \text{Maximum ITG Award} \\ \text{Or} \\ \text{Amount from Chart Below (whichever is less)}$$

The following chart provides the maximum ITG award allowed per credit hour of enrollment based on a maximum annual award of **\$4,550**.

Number of Hours Enrolled	Maximum ITG Semester School	Maximum ITG Quarter School
3	<sup>(1)</sup> \$569	<sup>(2)</sup> \$379
4	\$758	\$505
5	\$948	\$632
6	\$1,137	\$758
7	\$1,327	\$885
8	\$1,517	\$1,011
9	\$1,706	\$1,137
10	\$1,896	\$1,264
11	\$2,085	\$1,390

<sup>(1)</sup> (3 hours ÷ 12 hours) x (Full ITG ÷ 2) = (3 ÷ 12) x (\$4,550 ÷ 2) = 0.25 x \$2,275 = \$569

<sup>(2)</sup> (3 hours ÷ 12 hours) x (Full ITG ÷ 3) = (3 ÷ 12) x (\$4,550 ÷ 3) = 0.25 x \$1,820 = \$455

In all cases, the Regents' applicable tuition charges for part-time enrollment must be subtracted from the part-time student's tuition costs.

Example Part-time ITG Calculations:

Semester school.  
 Student enrolled for 6 hours.  
 School's tuition = \$480 per hour

<hr/>	
Tuition for 6 hours @ \$480	\$2,880
Regent Tuition for 6 hours @ \$278	\$1,668
Difference	<hr/> \$1,212
Maximum ITG for 6 hours from Chart	\$1,137
Maximum ITG for this Student	<hr/> \$1,137

Semester school.  
 Student enrolled for 6 hours.  
 School's tuition = \$280 per hour

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Tuition for 6 hours @ \$280	\$1,680
Regent Tuition for 6 hours @ \$278	\$1,668
Difference	<hr/> \$12
Maximum ITG for 6 hours from Chart	\$1,137
Maximum ITG for this Student	<hr/> \$12

**E. ACCELERATED SUMMER PROGRAMS**

Students enrolled in “accelerated” academic programs may be eligible for summer Iowa Tuition Grants. Accelerated programs are those programs that allow students to complete a traditional four year baccalaureate degree program in less than the normal prescribed time period. An accelerated program may be defined for a set group of students or may be a self-directed program for which students have received approval from appropriate college or university officials.

College and university officials are required to submit applications to the Commission that define the manner in which the summer Iowa Tuition Grant Program is to be administered. Applications can be requested from Program Administration staff at 877-272-4456, option 3. College and university officials must contact the Commission before January 1 prior to the year in which they want to participate (ex: if a college is applying for summer Iowa Tuition Grant eligibility for the summer of 2015, the Commission must receive the application by January 1, 2014).

The application must clearly identify students participating in qualified summer programs, provide descriptions of the programs, and include estimates of the number of students expected to qualify for summer Iowa Tuition Grant assistance. The application must also provide tracking mechanisms to ensure awards are only made to students completing coursework at an accelerated pace, and to ensure that these students will not receive their maximum Iowa Tuition Grant eligibility prior to degree completion. Commission staff will review the materials and notify college and university officials of the status of applications. College and university officials may not make summer awards until authorization from the Commission is received.

Students who will graduate on an accelerated schedule and who are attending the colleges and universities listed on the following table currently are eligible to receive summer Iowa Tuition Grants.

Summer Iowa Tuition Grant Eligible Colleges and Universities	
AIB College of Business	Des Moines
Allen College	Waterloo
Buena Vista University	Storm Lake
University of Dubuque	Dubuque

Summer Iowa Tuition Grant recipients may receive up to the full semester grant amount for the summer term. Summer payments are counted as full semesters toward the 8 semester maximum eligibility for full-time students. In order to continue to receive summer Iowa Tuition Grants, students must maintain pace with the accelerated graduation schedule without receiving 8 full-time semesters, or the equivalent, prior to graduating.

## F. OFF-CAMPUS CENTER AWARDS

Several independent colleges and universities operate off-campus centers with nontraditional calendars. Award procedures for these students are designed to provide maximum Iowa Tuition Grant benefit within the statutory limitations (eight semesters of assistance, statutory maximum, and Regent differential). Maximum awards for these students are calculated in accordance with the preceding calculations for part-time students until the student reaches 30 credit hours during a single academic year. At 30 credit hours, student awards are adjusted to the maximum full-time annual ITG award. This predominantly addresses disbursements for colleges with three sets of two eight-week modular programs (6 modules), five of which are within the traditional academic year (and eligible for state funding).

Example -- Off-Campus Center ITG Calculation:

School's tuition = \$285 per hour

School's fall through spring calendar includes 5 terms

Full Time Equivalent = 6 hours (30 hours ÷ 5 terms)

Students attending 6 hours receive maximum ITG benefit

Students attending less than 6 hours receive part-time equivalent benefit

The following table shows the award calculation for terms 1 and 2 during which the student takes 6 hours each term. Please note that students can be paid for more than 6 credit hours in a given term (ex: if the student is enrolled for 9 credit hours in the term, the student can be paid for those 9 credit hours using the same calculation technique below), although the maximum annual award is based on 30 credit hours of enrollment. Therefore, a student enrolled at an off-campus center cannot be paid for more than 30 credit hours in an academic year.

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Tuition for 6 hours @ \$285	\$1,710
Regent Tuition for 6 hours ( $\$7,853 \div 5$ terms)	\$1,571
Difference = ITG for each Term	<u>\$ 139</u>

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During terms 3 and 4, the student takes 5 credit hours in each term. The following table shows the award calculation for terms 3 and 4.

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Tuition for 5 hours @ \$285	\$1,425
Regent Tuition for 5 hours @ \$278*	<u>\$1,390</u>
Difference = Maximum ITG for each Term	\$ 35

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\*When calculating Iowa Tuition Grant (ITG) awards for students for the 2014-15 academic year, schools use the Regent institutions' average tuition and fees of \$7,853 for full-time students. The Regent tuition charge for part-time enrollment is \$278 per credit hour.

Regent part-time fee is used for up to 11 credit hours. Regent average is used for 12 or more credit hours.

During term 5, the student takes 8 hours and reaches 30 total credit hours and is converted to full-time ITG eligibility. Since this student has reached 30 credit hours during the academic year, he/she has also reached the maximum ITG award under off-center campus awarding.

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Tuition for 30 hours @ \$285	\$8,550
Regent Tuition for 30 hours	\$7,853
Difference = Maximum ITG for Student	<u>\$697</u>
Amount Received terms 1 to 4 (\$145 + \$145 + \$35 + \$35)	<u>\$ 360</u>
Difference = ITG for term 5	\$ 337

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This student's total ITG for the year is \$697.

If this same student takes 10 hours during term 5, the Regent's hourly rate would drop and the student's ITG award would increase as shown below:

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Tuition for 32 hours @ \$285	\$9,120
Regent Tuition for 32 hours	\$7,853
Difference = Maximum ITG for Student	<u>\$ 1,267</u>
Amount Received terms 1 to 4 (\$145 + \$145 + \$35 + \$35)	<u>\$ 360</u>
Difference = ITG for term 5	\$ 907

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In this scenario, this student's total ITG for the year is \$1,267.

**G. AWARD NOTIFICATION**

College and university officials should provide award notices to all Iowa Tuition Grant recipients. Award notices must clearly indicate award amounts and the state programs from which students will receive funding. All notices concerning state grants must include the following award notification statement:

**“In the event that available state funds are insufficient to pay the full amount of each approved grant, the Iowa College Student Aid Commission has the authority to administratively reduce the award.”**

## **H. RENEWAL ELIGIBILITY**

Financial need is determined annually on the basis of a new FAFSA filed by the applicant. Eligible Iowa students may be considered for subsequent awards if the students continue to meet Commission eligibility requirements and have not reached cumulative Iowa Tuition Grant eligibility.

Applicants with prior undergraduate degrees may be considered for Iowa Tuition Grants if the applicants are eligible Iowa resident students, meet eligibility criteria, and are enrolling in a completely different undergraduate degree program.

Under no circumstances may full-time students receive more than 8 semesters (or the quarter equivalent) of Iowa Tuition Grant assistance. Part-time students may receive no more than 16 semesters (or the quarter equivalent) of assistance. Students may receive combinations of full- and part-time awards to reach maximum eligibility. When calculating combined full- and part-time eligibility, one full-time semester will be counted as two part-time semesters. Conversely, two part-time semesters will be counted as one full-time semester.

College and university officials who need assistance in determining whether a student has reached maximum eligibility should contact the Commission.

## **I. DISBURSEMENT OF FUNDS**

Chapter 3 provides a complete description of the payment process.

Iowa Tuition Grant payments may be used only to pay students' tuition and mandatory fees.

## **J. CHANGES/CORRECTIONS**

Any changes in awards must be provided to Commission staff electronically via the State Scholarship and Grant Reporting System (see Chapter 3 and Appendix A).

## **K. VERIFICATION/COMPLIANCE**

College and university officials are responsible for completing any required federal verification procedures and for coordinating all aid to ensure compliance with student eligibility and allowable award amounts.

For students selected for federal verification, one disbursement of state-funded student financial aid may be made prior to completing the verification process as long as college or university officials have no reason to believe application information is inaccurate. If students become ineligible for aid due to verification activities, refunds must be made to state-funded programs.