

CHAPTER 5

IOWA TUITION GRANT PROGRAM

Proprietary

Overview

The Iowa Tuition Grant (ITG) Program assists students who attend proprietary 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 \$6,000, although the maximum award set for an academic year may be less depending on the funding available and number of projected recipients. Awards currently range from \$0 to \$1,860. Grants may not exceed the difference between proprietary college and university tuition and mandatory fees and the average tuition and fees at the three public Regent universities.

Established: May, 1969

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

IOWA TUITION GRANT PROGRAM FUNDING HISTORY			
ACADEMIC YEAR	STATE APPROPRIATION	SSIG/LEAP¹ FUNDS	TOTAL FUNDING
* 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

¹State 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.

IOWA TUITION GRANT PROGRAM FUNDING HISTORY PROPRIETARY COLLEGES AND UNIVERSITIES			
ACADEMIC YEAR	STATE APPROPRIATION	LEAP FUNDS	TOTAL FUNDING
2004-05	\$3,400,000	\$0	\$3,400,000
2005-06	\$4,967,357	\$0	\$4,967,357
2006-07	\$5,167,358	\$0	\$5,167,358
2007-08	\$5,374,858	\$0	\$5,374,858
* 2008-09	\$5,441,985	\$0	\$5,441,985
** 2009-10	\$4,489,705	\$0	\$4,489,705
2010-11	\$4,650,487	\$0	\$4,650,487
2011-12	\$4,000,000	\$0	\$4,000,000
2012-13	\$2,500,000	\$0	\$2,500,000
2013-14	\$2,500,000	\$0	\$2,500,000
2014-15	\$1,975,000	\$0	\$1,975,000
2015-16	\$1,975,000	\$0	\$1,975,000
2016-17	TBD	\$0	TBD

* Reduced by 1.5% due to across the board cut (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
- Agree to provide institutional matching financial aid dollars as described in Iowa Code 261.9.

As of 7/1/11, an eligible proprietary college or university is defined in Iowa Code 261.25:

A for-profit institution which, effective March 9, 2005, or effective January 8, 2010, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible institution under the tuition grant program. For purposes of the tuition grant program, *“for-profit accredited private institution”* means an accredited private institution which is not exempt from taxation under section 501(c)(3) of the Internal Revenue Code but which otherwise meets the requirements of section 261.9, subsection 1, paragraph *“b”*, and whose students were eligible to receive tuition grants in the fiscal year beginning July 1, 2003.

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 NCA accreditation is lost or suspended or if the college or university is removed from NCA candidate status. College and university officials at colleges or universities that have NCA accreditation suspended or withdrawn by the 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. For academic year 2015-16, the for-profit college and university match was 90 percent. **Since the 2016-17 appropriation did not increase in comparison to the 2015-16 appropriation, the college or university match will remain at 90%.** 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 proprietary Iowa Tuition Grant awards.

Iowa Tuition Grant Participating Colleges and Universities	
<u>Proprietary Colleges and Universities</u>	
Kaplan University	Cedar Falls, Cedar Rapids, Davenport, Des Moines, Mason City
Waldorf College (effective 7/1/11)	Forest City

2. Student

In addition to the general student eligibility requirements found in Chapter 1, an eligible low a 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 low a college or university. Neither certificates nor diplomas are considered to be degrees. Only students enrolled in associate or bachelors' 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 low a 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 low a 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 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. **The EFC level for the low a Tuition Grant Program for private, for-profit colleges and universities for the 2016-17 academic year is \$13,000.**

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

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

D. AWARD AMOUNTS AND LIMITS

With the exception of approved accelerated courses of study, low a 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 low a 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.

low a Tuition Grant awards are tuition-restricted in nature. When awarded in combination with other tuition-restricted funds, total tuition-restricted funding that includes an low a Tuition Grant funding cannot exceed total tuition and mandatory fees charged to the recipient. In most cases, the low a Tuition Grant award is reduced to comply with this policy. For recipients of Chapter 33 veteran's education tuition payments, the low a Tuition Grant award should 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) low a Tuition Grant is set by the low a 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 low a Tuition Grant for academic year 2016-17 is **\$1,860** for students attending proprietary colleges and universities.

When calculating low a Tuition Grants (ITG) for students, college and university officials must use the Regent universities' average tuition and fees. For academic year 2016-17, the average tuition and fees for full-time students equals **\$8,118**. The average tuition charge for part-time enrollment is **\$286** per credit hour.

Proprietary For-profit Colleges and Universities. The following calculations are provided specifically for use by proprietary for-profit colleges and universities.

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

$$\text{Full-time Tuition Cost} - \mathbf{\$8,118} = \text{Maximum ITG Award}$$

Or

$$\mathbf{\$1,860} \text{ (whichever is less)}$$

The statutory maximum ITG is \$6,000. The maximum ITG award for academic year 2016-17 has been set at **\$1,860**, 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	\$12,000	\$9,000
Minus Regent Average	<u>-\$8,118</u>	<u>-\$8,118</u>
Difference	\$3,882	\$882
Current Maximum ITG Award	\$1,860	\$1,860
ITG Award for this Student	\$1,860	\$882

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

$$\text{Part-time Tuition Cost} - \text{Regent Part-time Cost} = \text{Maximum ITG Award}$$

Or

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 **\$1,860**.

Number of Hours Enrolled	Maximum ITG Semester School	Maximum ITG Quarter School
3	⁽¹⁾ \$233/232	⁽²⁾ \$155
4	\$310	\$207/207/206
5	\$388/387	\$259/258/258
6	\$465	\$310
7	\$543/542	\$362/362/361
8	\$620	\$414/413/413
9	\$698/697	\$465
10	\$775	\$517/517/516
11	\$853/852	\$569/568/568

⁽¹⁾ (3 hours ÷ 12 hours) x (Full ITG ÷ 2) = (3 ÷ 12) x (\$1680 ÷ 2) = 0.25 x \$930 = \$233

⁽²⁾ (3 hours ÷ 12 hours) x (Full ITG ÷ 3) = (3 ÷ 12) x (\$1680 ÷ 3) = 0.25 x \$620 = \$155

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 = \$400 per hour

Tuition for 6 hours @ \$400	\$2,400
Regent Tuition for 6 hours @ \$286	\$1,716
Difference	\$684
Maximum ITG for 6 hours from Chart	\$465
Maximum ITG for this Student	\$465

Semester school.

Student enrolled for 6 hours.

School's tuition = \$290 per hour

Tuition for 6 hours @ \$290	\$1,740
Regent Tuition for 6 hours @ \$286	\$1,716
Difference	\$24
Maximum ITG for 6 hours from Chart	\$465
Maximum ITG for this Student	\$24

E. ACCELERATED SUMMER PROGRAMS

Students enrolled in accelerated academic programs may be eligible for summer low a 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 low a Tuition Grant Program is to be administered. Applications can be requested through the Program Administration Department 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 low a Tuition Grant eligibility for the summer of 2017, the Commission must receive the application by January 1, 2016).

The application must clearly identify students participating in qualified summer programs, provide descriptions of the programs, include estimates of the number of students expected to qualify for summer low a 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 low a 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 low a Tuition Grants.

Summer low a Tuition Grant Eligible Colleges and Universities	
Waldorf College	Forest City

Summer low a 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 lifetime eligibility for full-time students. In order to continue to receive summer low a Tuition Grants, students must maintain pace with the accelerated graduation schedule without receiving 8 full-time semesters, or the equivalent, prior to graduating.

F. AWARD NOTIFICATION

College and university officials should provide award notices to all lowa 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 lowa College Student Aid Commission has the authority to administratively reduce the award.”

G. RENEWAL ELIGIBILITY

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

Applicants with prior undergraduate degrees may be considered for lowa Tuition Grants if the applicants are eligible lowa 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 lowa 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.

H. 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.