

Red Tape Review Rule Report (Due: September 1, 2025)

Department Name:	Iowa Department of Education – Bureau of Iowa College Aid	Date:	12/8/2023	Total Rule Count:	5
IAC #:	283	Chapter/ SubChapter/ Rule(s):	Chapter 8	Iowa Code Section Authorizing Rule:	256.178 and 256.212
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

Iowa residents, eligible institutions, and the Commission will benefit from the rulemaking since it clarifies the consistent processes by which Iowans will apply for and qualify for the scholarship, while also illustrating the duties of the eligible institutions, the Commission, and applicants in the administration of the scholarship. In addition, the public will benefit from the articulation of the priority criteria that determines which applicants receive priority for awards. The state of Iowa benefits from the rule through the assurance of the future integrity of the scholarship through periodic compliance reviews.

Is the benefit being achieved? Please provide evidence.

The benefit of the rule is achieved, as each of the processes and provisions intended to provide a benefit are illustrated within the rulemaking.

What are the costs incurred by the public to comply with the rule?

Since the application process is the same as that leveraged by other state scholarship/grant programs, there is no additional cost to the public to comply with the rule.

What are the costs to the agency or any other agency to implement/enforce the rule?

Compliance reviews: Compliance reviews are performed at the institution-level, covering all state-funded financial aid programs in which the institution disburses funds. Since the review itself covers multiple programs, the College Student Aid Commission can't assign a direct cost to a specific program. Although, staff spend an estimated cumulative total of 40 hours on a compliance review for an institution; a fraction of which could be assigned to a specific program. Data obtained from institutions suggests that institutional staff spend under 10 hours collecting the required documents, transmitting them to the College Student Aid Commission, answering questions, responding to findings, and developing corrective action plans; again, a fraction of which could be assigned to an individual program.

Do the costs justify the benefits achieved? Please explain.

The costs justify the benefits achieved. The cost of inaction would be confusion in the process and criteria to be used in the application and awarding of funds under the program, as well as the potential for awarding errors and irregularities that would remain unchecked without periodic compliance reviews.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The Commission has not identified a more cost effective alternative to the current internal process utilized for compliance reviews. Existing staff within the agency perform the compliance reviews, and the internal time commitment isn't such that outsourcing the compliance reviews would result in the elimination of agency staff – outsourcing would only lead to additional costs born to an external service provider.

In addition, the rule provides consistency related to general student eligibility criteria across all state financial aid programs, allowing for more efficient eligibility determinations and awarding of funds.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Many of the definitions in the current rule are redundant of those in law. In these cases, the subject being defined now cites law instead of duplicating the language of the law.

Listed below are the rules from which most of the redundant language was removed.

8.2: Removed redundant language.

Federal legislation that replaces the expected family contribution with the student aid index is effective for the 2024-25 academic year. The following sections of the current rule are impacted by these changes.

8.2: Definition of "Expected family contribution (EFC)"

8.4(2): References expected family contributions (EFCs)

8.4(2)a: References EFC

8.4(2)b: References EFC

8.4(2)c: References EFC

8.4(2)d: References EFC

8.4(2)e: References EFC

8.4(2)f: References EFC

RULES PROPOSED FOR REPEAL (list rule number[s]):

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

CHAPTER 8
ALL IOWA OPPORTUNITY SCHOLARSHIP PROGRAM

283—8.1(261) Basis of aid. Assistance available under the all Iowa opportunity scholarship program is based on the financial metric and financial need of Iowa residents enrolled at eligible institutions.

283—8.2(261) Definitions. Additional terms not defined in this chapter are defined in Iowa Code section 261.87.

“Eligible foster care student” means the same as defined in section 256.212(1).

“Eligible surviving-child student” means the same as defined in section 256.212(1).

“Financial metric” means the same as defined in 283—10.2(261).

“Financial need” means the same as defined in 283—10.2(261).

“Full-time” means the same as defined in 283—10.2(261).

“Iowa resident” means the same as defined in 283—10.2(261).

“Part-time” means the same as defined in 283—10.2(261).

“Program of study” means the same as defined in 283—10.2(261).

“Satisfactory academic progress” means the same as defined in 283—10.2(261).

283—8.3(261) Eligible Applicant. An eligible applicant is an Iowa resident who enrolls full-time or part-time in a program of study at an eligible institution who meets the program eligibility criteria and the following provisions:

1. Begins attendance in a program of study at an eligible institution within two academic years of graduation from an Iowa high school, completion of an Iowa homeschool program, or receipt of a high school equivalency diploma under chapter 259A, and continuously receives the scholarship during the fall and spring semester, or the equivalent; or, is an eligible foster care student.

2. Completes the applications the commission deems necessary on or before the date established by the commission, establishes financial need, has a financial metric at or below the average undergraduate tuition and fee rate for regent university students in the academic year prior to the year for which awards are being made, meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

283—8.4(261) Awarding of funds.

8.4(1) Selection criteria. All eligible applicants will be considered for an award.

8.4(2) Maximum award and extent of award. Eligible applicants may receive awards for no more than the equivalent of eight full-time awards.

a. The maximum award for full-time students will be the lesser of:

(1) The amount of financial need demonstrated by the student as calculated by the commission, or

(2) One-half of the average tuition and mandatory fees for Iowa resident regent university students in the year prior to the academic year in which awards are being made.

b. The maximum award for a full-time student will not be affected by the ranking system used to prioritize grants. A part-time student will receive a prorated award, as defined by the commission, which is calculated by dividing the number of hours for which the student is enrolled by the required number of hours for full-time enrollment, and multiplying the quotient by the maximum award.

8.4(3) Priority for awards among eligible applicants.

a. All new and renewal eligible foster care students will receive first priority for funding. Awards to eligible foster care students will be made based on the eligible applicant’s financial metric. Eligible applicants with the lowest financial metrics will be awarded first. If all eligible applicants in this category with a given financial metric cannot be funded, those eligible applicants will be ranked according to the date the FAFSA was filed.

b. All new and renewal eligible surviving-child students will receive second priority for funding. Awards to eligible surviving-child students will be made based on the eligible applicant’s financial metric. Eligible applicants with the lowest financial metrics will be awarded first. If all eligible applicants in this category with a given financial metric cannot be funded, those eligible applicants will be ranked according to the date the FAFSA was filed.

c. All eligible renewal applicants not awarded in lettered paragraphs “a” and “b” will receive third priority for funding. Awards to renewal applicants will be made based on the eligible applicant’s financial metric. Eligible applicants with the lowest financial metrics will be awarded first. If all eligible applicants in this category with a given financial metric cannot be funded, those eligible applicants will be ranked according to the date the FAFSA was filed.

d. If funding remains after all eligible foster care students, eligible surviving-child students, and renewal students have been awarded, fourth priority will be given to students who participated in federal TRIO programs, participated in alternative

programs in high school, or graduated from alternative high schools. Awards will be made to students in this category based on the eligible applicant’s financial metric. Eligible applicants with the lowest financial metrics will be awarded first. If all eligible applicants in this category with a given financial metric cannot be funded, those eligible applicants will be ranked according to the date the FAFSA was filed.

e. If funding remains after each of the previous priority categories have been awarded, fifth priority will be given to student who participated in federal GEAR UP programs. Awards will be made to students in this category based on the eligible applicant’s financial metric. Eligible applicants with the lowest financial metrics will be awarded first. If all eligible applicants in this category with a given financial metric cannot be funded, those eligible applicants will be ranked according to the date the FAFSA was filed.

f. If funding is available, awards to remaining eligible applicants will be made based on the eligible applicant’s financial metric. Eligible applicants with the lowest financial metrics will be awarded first. If all eligible applicants in this category with a given financial metric cannot be funded, those eligible applicants will be ranked according to the date the FAFSA was filed.

8.4(4) Awarding process.

a. The commission will verify the eligibility and priority category of eligible applicants.

b. The commission will designate eligible applicants for awards, and provide eligible institutions with rosters of designated eligible applicants.

c. The commission will notify recipients and eligible institutions of the awards. Eligible institutions will notify the student of the award amount, the state program from which funding is being provided and stating that the award is contingent on the availability of state funds.

d. Eligible institutions will apply awards directly to student accounts to cover items included in the cost of attendance, as defined in Title IV, Part B, of the federal Higher Education Act of 1965, as of July 1, 2023.

e. Eligible institutions will provide information about eligible applicants to the commission in a format specified by the commission. Eligible institutions will make necessary changes to awards due to a change in enrollment or financial situation, and promptly report those changes to the commission.

f. Eligible institutions are responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility requirements and allowable award amounts. Eligible institutions will report changes in student eligibility to the commission.

g. The commission will periodically investigate and review compliance of eligible institutions participating in this program with the criteria established in Iowa Code section 261.87 and this rule.

283—8.5(261) Exceptions.

8.5(1) Individuals who have military obligations may delay the initial period of enrollment for up to four academic years beyond graduation from an Iowa high school, completion of an Iowa homeschool program, or receipt of a high school equivalency diploma under chapter 259A, and must begin postsecondary enrollment within two academic years of discharge. Exceptions for health or other personal reasons for delaying the initial period of enrollment will be reviewed by commission staff on a case-by-case basis.

8.5(2) If a scholarship recipient suspends enrollment at the eligible institution after receipt of the scholarship due to military deployment; due to a temporary medical incapacity; in relation to the declaration of a national or state emergency; service in AmeriCorps, Volunteers in Service to America, or the federal Peace Corps; due to 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 Service; or other exceptional circumstances approved by the commission, the recipient must apply for a waiver. If the waiver is approved, the recipient is not required to continuously receive the scholarship during the period covered by the waiver. These rules are intended to implement Iowa Code chapter 261.

***For rules being re-promulgated with changes, you may attach a document with suggested changes.**

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	895
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	16

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

