

COLLEGE STUDENT AID COMMISSION[283]

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 283—Chapter 13
“Iowa Vocational-Technical Tuition Grant Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.192 as transferred by 2023 Iowa Acts, Senate File 514, section 2641

State or federal law(s) implemented by the rulemaking: Iowa Code section 256.192 as transferred by 2023 Iowa Acts, Senate File 514, section 2641

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 31, 2024
4 p.m.

State Board Room
Grimes State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Bureau of Iowa College Aid
400 East 14th Street
Des Moines, Iowa 50319
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Purpose and Summary

The Commission proposes to rescind and adopt a new Chapter 13, pursuant to Executive Order 10. New Chapter 13 is proposed to ensure the Commission meets the requirements set forth in law by adopting rules for the administration of the Vocational-Technical Tuition Grant. The proposed rulemaking establishes the eligibility criteria and awarding of funds for the grant and describes the processes, procedures, and duties of the Commission, applicants, and institutions. The rulemaking also includes cross-references to definitions for use under the grant. The rulemaking includes citations to Iowa Code sections 256.192, which was transferred by 2023 Iowa Acts, Senate File 514, section 2641.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- Classes of persons that will bear the costs of the proposed rulemaking:

In general, the proposed rulemaking does not impose requirements that would add an administrative burden beyond the provisions already established in law. The rulemaking defines the processes that will be utilized to ensure eligible applicants receive grants and articulates the awarding of funds and general provisions of eligibility to align with other state-funded scholarships and grants.

The rulemaking stipulates that the Commission will periodically review compliance of the eligible institutions participating in the grant (paragraph 13.4(3)“g”). This requirement is not specifically established in law. The Commission currently performs compliance reviews based on a risk assessment of all colleges/universities participating in all state-funded scholarship and grant programs. Typically, the Commission reviews the three to five colleges/universities that score highest on the risk assessment. This rulemaking does not increase the number of eligible institutions that will be selected for a compliance review. Thus, there will be no significant additional enforcement cost tied to this provision. However, the Commission and eligible institutions bear the costs involved with compliance reviews.

- Classes of persons that will benefit from the proposed rulemaking:

Iowa residents, eligible institutions, and the Commission will benefit from the rulemaking since it clarifies the processes by which Iowans will apply for and qualify for the grant, while also illustrating the duties of the eligible institutions, the Commission, and applicants in the administration of the grant.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- Quantitative description of impact:

Other than compliance reviews, the rulemaking does not impose measurable costs beyond those imposed by law. Compliance reviews are performed at the institution level, covering all state-funded financial aid programs for which an institution disburses funds. Since the review itself covers multiple programs, the Commission cannot assign a direct cost to a specific program. 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 ten hours collecting the required documents, transmitting them to the Commission, answering questions, responding to findings, and developing corrective action plans, a fraction of which could be assigned to an individual program.

- Qualitative description of impact:

Performing compliance reviews is a core tenet of any program administered by the State of Iowa. Compliance reviews add accountability for all partners participating in a program, ensure proper communication and understanding of any requirement under the program, and can generally enhance the integrity of the program. While some costs are imposed by such a requirement, the qualitative impact is positive because compliance reviews ensure the funds are being disbursed to the target audience in a manner that is consistent across all participating institutions.

3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

The Commission estimates that it takes approximately 40 hours to perform a compliance review. Given the average hourly wage of individuals involved in this process, the review would cost approximately \$1,600 annually. Since a compliance review covers multiple programs, only a fraction of this cost could be assigned to a specific program.

- Anticipated effect on state revenues:

The proposed rulemaking is not anticipated to have any effect on state revenues beyond that of the legislation it is intended to implement.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The benefit of the proposed rulemaking is to publicly illustrate the process that will be used to consistently administer and disburse the grants, articulate priority criteria and general provisions of eligibility, and ensure the future integrity of the grant through periodic compliance reviews. The cost of inaction would be confusion and inconsistency in the process and criteria to be used in the application and awarding of funds under the grant, as well as errors and irregularities in the award process that would remain unchecked without periodic compliance reviews.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The rulemaking proposes an efficient administrative method of collecting applications and disbursing funding, reducing any administrative burden that otherwise might be introduced.

6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

No other methods were seriously considered by the Commission, since the method proposed is the most cost-efficient and seamless for all entities involved.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

The alternative methods were rejected because they would lead to additional burdens on students, eligible institutions, and the Commission.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking is not expected to impact small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 283—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13 IOWA VOCATIONAL-TECHNICAL TUITION GRANT PROGRAM

283—13.1(256) Basis of aid. Assistance available under the Iowa vocational-technical tuition grant program is tuition-restricted and is also based on the financial metric and financial need of Iowa residents enrolled in eligible programs of study at Iowa community colleges.

283—13.2(256) Definitions.

“Financial metric” means the same as defined in rule 283—10.2(256).

“Financial need” means the same as defined in rule 283—10.2(256).

“Full-time” means the same as defined in rule 283—10.2(256).

“Iowa resident” means the same as defined in rule 283—10.2(256).

“Part-time” means the same as defined in rule 283—10.2(256).

“Program of study” means the same as defined in rule 283—10.2(256).

“Satisfactory academic progress” means the same as defined in rule 283—10.2(256).

283—13.3(256) Eligible applicant. An eligible applicant is an Iowa resident who is enrolled at least part-time in a program of study that is classified as a career and technical education program by the Iowa department of education; meets the award eligibility criteria; and meets the following provisions:

1. Completes the applications the commission deems necessary on or before the date established by the commission.
2. Establishes financial need, has an eligible financial metric, meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

283—13.4(256) Awarding of funds.

13.4(1) Selection criteria. All eligible applicants will be considered for an award.

13.4(2) Extent of award and maximum award. Eligible applicants may receive no more than the equivalent of four full-time awards. If the program of study cannot be completed by the eligible applicant within the extent of the award, the eligible applicant may qualify for the equivalent of one additional full-time award. These limits reset after two years of no postsecondary enrollment, pursuant to Iowa Code section 256.192(3) “b.”

a. The maximum award for full-time students will not exceed the student's financial need and may be the lesser of:

- (1) The difference between the cost of tuition, mandatory fees, books and supplies, as determined by the commission, and the amount of the federal Pell Grant for which the student qualifies,
- (2) \$1,200,
- (3) An award amount established by the commission that allows all eligible applicants to receive an award.

b. When awarded in combination with other tuition-restricted funds, the total amount of tuition-restricted funding including an Iowa vocational-technical tuition grant cannot exceed the total tuition and mandatory fees charged to the recipient.

c. 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.

13.4(3) Awarding process.

a. The commission will provide notice of the eligibility criteria and maximum award to participating Iowa community colleges annually to authorize awarding.

b. The commission will designate eligible applicants for awards and provide Iowa community colleges with rosters of designated eligible applicants.

c. Iowa community colleges will notify recipients of the awards, clearly indicating the award amount and the state program from which funding is being provided and stating that the award is contingent on the availability of state funds.

d. Iowa community colleges will apply awards directly to student accounts to cover tuition and mandatory fees.

e. Iowa community colleges will provide information about eligible applicants to the commission in a format specified by the commission. Iowa community colleges will make necessary changes to awards due to a change in enrollment, program of study, and financial situation, and promptly report those changes to the commission.

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

g. The commission will periodically investigate and review compliance of Iowa community colleges participating in this program with the criteria established in Iowa Code section 256.192 and this rule.

These rules are intended to implement Iowa Code chapter 256.