

# COLLEGE STUDENT AID COMMISSION[283]

## Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 283—Chapter 16  
“Future Ready Iowa Skilled Workforce Grant Program”

Iowa Code section authorizing rulemaking: 261.132

State or federal law(s) implemented by the rulemaking: 2023 Iowa Acts, Senate File 560, division VIII

### Public Hearing

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

August 16, 2023  
4 p.m.

475 S.W. Fifth Street, Suite D  
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 Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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### Purpose and Summary

Statutory amendments were made to the Future Ready Iowa Skilled Workforce Grant Program (program) in 2023 Iowa Acts, Senate File 560, division VIII. Given the extent of the statutory amendments, the Commission plans to rescind and adopt a new Chapter 16, pursuant to Executive Order 10.

New Chapter 16 is proposed to ensure the Commission meets the requirements set forth in law by adopting rules for the administration of the program. The proposed rulemaking establishes the eligibility criteria and awarding of funds for the program; describes the process, procedures and duties of the Commission, applicants, and institutions; and provides the priority criteria for awarding in the event that all eligible applicants cannot receive the award. The rulemaking also establishes definitions for use under the program, many of which are proposed to be added to existing Chapter 10, “Uniform Policies,” in the Regulatory Analysis published on 7/12/23. As part of the review pursuant to Executive Order 10, the Commission intends to utilize Chapter 10 for definitions and policies that are consistently utilized across most state financial aid programs in order to streamline and reduce redundancies in administrative rules.

### 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 administrative burden beyond the provisions already established in law. The rulemaking defines the processes that will be utilized to ensure eligible applicants receive program grants, articulates priority criteria and general provisions of eligibility to align with other state-funded scholarships and grants, and demonstrates the alignment between high-demand jobs and eligible programs of study. The Commission will use existing staff to administer the program.

The rulemaking stipulates that the Commission will periodically review compliance of the eligible institutions participating in the program (paragraph 16.4(4)“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. The number of eligible institutions that will be selected for a compliance review

is not increasing. Thus, there would 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 program, while also illustrating the duties of the eligible institutions, the Commission, and applicants in the administration of the program.

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 tenant 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.

The proposed rulemaking leverages existing official public data aligning high-demand jobs to eligible programs of study, ensuring that an administratively burdensome process to recreate a crosswalk that aligns high-demand jobs to programs of study is not necessary.

The proposed rulemaking requires an applicant institution to apply by October 1 prior to the academic year in which the institution plans to participate in the program. This application deadline will allow the Commission with adequate time to update systems, train institutional staff who will be involved in the administration of the program, and for students who may attend the applicant institution to apply for funding.

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. The Commission will utilize existing staff to administer the program and compliance reviews.

- 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 administer and disburse the program awards/payments, articulate priority criteria and general provisions of eligibility, and ensure the future integrity of the program through periodic compliance reviews.

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 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. The rulemaking leverages existing public data aligning high-demand jobs to eligible programs of study, ensuring that an administratively burdensome process to recreate a crosswalk that aligns high-demand jobs to programs of study is not necessary.

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 burden 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 businesses.

### Text of Proposed Rulemaking

ITEM 1. Rescind 283—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16  
FUTURE READY IOWA SKILLED WORKFORCE GRANT PROGRAM

**283—16.1(261) Basis for aid.** Assistance available under the future ready Iowa skilled workforce grant program is for Iowa residents who are aged 25 or older and are enrolled in approved programs aligned with high-demand jobs.

**283—16.2(261) Definitions.** As used in this chapter:

“*Approved program*” means an eligible program of study approved through the process described in rule 283—16.6(261).

“*Continuous enrollment*” means an eligible student is enrolled on a full-time or part-time basis in successive fall and spring semesters, or the equivalent, after receiving the award. Enrollment in the summer semester is not required to meet this condition.

“*Eligible institution*” meets the criteria in Iowa Code section 261.132(1) “c” as amended by 2023 Iowa Acts, Senate File 560, and the provisions of rule 283—16.7(261).

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

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

“*Part-time*” means enrollment in at least 6 but less than 12 hours per semester, or the equivalent. An eligible student may enroll in fewer than six semester hours, or the equivalent, in the semester that the credential will be completed if part-time enrollment is not required to complete the program of study.

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

“*Semester*” means the fall, spring, or summer term of enrollment at an eligible institution, if the eligible institution is on a semester system, or the equivalent, if the institution is on a system other than a semester system.

**283—16.3(261) Eligible applicant.** An eligible applicant is an Iowa resident enrolled full-time or part-time in an approved program at an eligible institution and meets the eligibility criteria in Iowa Code section 261.132 as amended by 2023 Iowa Acts, Senate File 560, and the following provisions:

1. Annually completes the applications required by the college student aid commission (commission) by the date established by the commission and meets all other conditions specified in Iowa Code section 261.132(1) “e” as amended by 2023 Iowa Acts, Senate File 560.
2. Meets satisfactory academic progress standards, does not meet a condition in 283—subrule 10.3(1), and upon receipt of the grant, maintains continuous full-time or part-time enrollment during successive fall and spring semesters.
3. Is aged 25 or older as of July 1 prior to the year of enrollment.

**283—16.4(261) Awarding of funds.**

**16.4(1) Selection criteria.** All eligible applicants will be considered for an award.

**16.4(2) Extent of award and maximum award.** Eligible applicants may receive no more than the equivalent of four full-time awards. The maximum award will be established annually by the commission but will not be less than \$1,000 for a full-time student over the course of the fall and spring semesters.

**16.4(3) Priority for awards.** In the event that funds available are insufficient to provide maximum awards to all eligible applicants, awards are prioritized in the following order:

- a. Eligible applicants who received the grant in the prior state fiscal year, by application date.
- b. Eligible applicants who did not receive the grant in the prior state fiscal year, by application date.

**16.4(4) Awarding process.**

- a. The commission will provide notice of the eligibility criteria and maximum award to participating eligible institutions annually to authorize awarding.
- b. The commission will designate eligible applicants for awards and provide eligible institutions with rosters of designated eligible applicants.
- c. Eligible institutions 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. 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 amended.
- 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, program of study, and financial situation, and promptly report those changes to the commission.
- f. Eligible institutions will complete necessary verification and coordinate 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 261.132 as amended by 2023 Iowa Acts, Senate File 560, and this rule.

**283—16.5(261) Exceptions.** If an eligible applicant discontinues enrollment at the eligible institution due to military deployment, a temporary medical incapacity, in relation to a declaration of a national or state emergency, or other exceptional circumstances approved by the commission, the eligible applicant may apply for a waiver. If the waiver is approved, the eligible applicant is not required to maintain continuous enrollment during the period covered by the waiver.

**283—16.6(261) Determination of programs of study aligned with high-demand jobs.**

**16.6(1) High-demand jobs.** The commission will utilize the department of workforce development’s most recent list of statewide high-demand jobs pursuant to Iowa Code section 84A.1B(14) and align those jobs to eligible programs of study.

**16.6(2) Eligible programs of study.** The eligible institution will offer a baccalaureate degree that is aligned with a high-demand job. The classification of instructional program code and the standard occupation code will be used to align eligible programs of study to high-demand jobs.

**16.6(3) Designation.** Eligible institutions will designate the eligible programs of study offered in the corresponding academic year.

**16.6(4) *Approved program.*** Before an eligible program of study is considered an approved program of study, the department of workforce development and the commission will jointly certify that the program of study is aligned with a high-demand job pursuant to Iowa Code section 84A.1B(14).

**16.6(5) *Grandfather clause.*** If the state workforce development board removes a high-demand job from a list created pursuant to Iowa Code section 84A.1B(14), an eligible applicant who received an award in a program of study aligned with that high-demand job will continue to receive the award as long as the eligible applicant continues to meet all other eligibility criteria.

**283—16.7(261) Institution eligibility requirements.**

**16.7(1) *Application process.*** An institution requesting to participate in the program may apply to the commission using the commission's designated application. An applicant institution will provide the commission with documentation establishing the applicant institution's eligibility as an eligible institution that offers eligible programs of study. Applicant institutions will submit the application and documentation establishing the applicant institution's eligibility by October 1 of the year prior to the beginning of the academic year for which the applicant institution is applying for participation.

**16.7(2) *Public information.*** A list of all eligible programs of study, as well as the required courses and the suggested course sequence, will be available in a prominent location on the eligible institution's website.

These rules are intended to implement Iowa Code section 261.132.