

MAR 8 2006
Place On Calendar

HOUSE FILE 2715
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 590)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to postsecondary education opportunities for high
2 school students by requiring school districts to publicize the
3 available opportunities and by establishing a jump-start grant
4 program for the postsecondary education expenses of Iowa
5 students who receive high school diplomas prior to enrollment
6 as high school seniors.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

HF 2715

TLSB 5126HV 81

kh/sh/8

1 Section 1. NEW SECTION. 261.89 JUMP-START GRANT PROGRAM.

2 1. PROGRAM ESTABLISHED. A jump-start grant program is
3 established to be administered by the commission.

4 2. ELIGIBILITY. A grant under the jump-start grant
5 program may be awarded to a resident of Iowa who meets the
6 following criteria:

7 a. On or after July 1, 2006, received a high school
8 diploma from a school district not later than the end of the
9 semester or school year in which the student is enrolled as a
10 junior.

11 b. Is admitted and in attendance as a full-time or part-
12 time resident student at a community college as defined in
13 section 260C.2, an institution of higher learning under the
14 control of the board of regents, or an accredited private
15 institution as defined in section 261.9.

16 3. GRANT AMOUNT. The amount of the grant awarded to an
17 eligible student shall be as follows:

18 a. To a full-time student, an amount equal to the state
19 cost per pupil or five thousand dollars, whichever is greater.

20 b. To a part-time student, an amount equivalent to the
21 amount paid to a full-time student, but prorated based on the
22 number of semester hours, or the trimester or quarter
23 equivalent, for which the part-time student is enrolled.

24 4. EXCESS GRANT MONEYS. Notwithstanding subsection 3, if
25 the grant amount exceeds the amount necessary to pay the
26 student's educational expenses for an academic year, the
27 commission shall retain the excess grant moneys for the
28 student's educational expenses for not more than the two
29 consecutive academic years. If the student fails to enroll
30 and attend a community college as defined in section 260C.2,
31 an institution of higher learning under the control of the
32 board of regents, or an accredited private institution as
33 defined in section 261.9 by June 30 of the third consecutive
34 academic year, the grant moneys retained for the student by
35 the commission shall revert to the general fund of the state.

1 5. REFUND. If the student discontinues attendance before
2 the end of any term after receiving payment of the grant, the
3 entire amount of any refund due that student, up to the amount
4 of any payments made under the annual grant, shall be paid by
5 the institution to the state.

6 6. DEFINITIONS. As used in this division, unless the
7 context otherwise requires:

8 a. "Commission" means the college student aid commission.

9 b. "Educational expenses for an academic year" means the
10 following:

11 (1) Tuition and fees normally assessed a student carrying
12 the same academic workload as determined by the institution,
13 and including costs for rental or purchase of any equipment,
14 materials, or supplies required of all students in the same
15 course of study.

16 (2) An allowance for books, supplies, transportation, and
17 miscellaneous personal expenses, including a reasonable
18 allowance for the documented rental or purchase of a personal
19 computer, for a student enrolled at an accredited private
20 institution, community college, or board of regents'
21 university in a course of study including at least six
22 semester hours or the trimester or quarter equivalent of six
23 semester hours.

24 (3) An allowance, as determined by the appropriate
25 accredited postsecondary educational institution, for room and
26 board costs incurred by the student which shall be based on
27 the expenses reasonably incurred for room and board at the
28 institution by a student without dependents.

29 c. "Full-time student" means an individual who is enrolled
30 at an accredited private institution, community college, or
31 board of regents university for at least twelve semester hours
32 or the trimester or quarter equivalent.

33 d. "Part-time student" means an individual who is enrolled
34 at an accredited private institution, community college, or
35 board of regents university for at least three semester hours

1 or the trimester or quarter equivalent, but for less than
2 twelve semester hours or the trimester or quarter equivalent.

3 7. ELIGIBILITY ESTIMATION. The department of education
4 shall annually provide to the general assembly an estimate of
5 the number of sophomore high school students in Iowa who, in
6 the next succeeding school year, will be eligible to receive a
7 high school diploma.

8 8. RULES. The commission shall adopt rules pursuant to
9 chapter 17A to administer this division.

10 Sec. 2. NEW SECTION. 279.63 PUBLICIZE HIGHER EDUCATION
11 OPTIONS.

12 The board of directors of each school district shall
13 publicize in, at a minimum, the school district's student
14 handbook and on the school district's web page, the higher
15 education opportunities available to students enrolled in the
16 school district, including opportunities provided under the
17 postsecondary enrollment options Act, chapter 261C, and the
18 availability of classes offered under district-to-community
19 college sharing agreements.

20 EXPLANATION

21 This bill establishes a jump-start grant program for Iowa
22 high school students who, on or after July 1, 2006, receive a
23 diploma from a public high school by the end of their junior
24 year. The students must be residents of Iowa who are admitted
25 and in attendance as a full-time or part-time resident student
26 at an accredited Iowa postsecondary institution. The program
27 is to be administered by the college student aid commission.

28 The amount of the grant awarded to a full-time student is
29 an amount equal to the state cost per pupil or \$5,000,
30 whichever is greater. The amount to a part-time student is
31 prorated. However, if the grant amount exceeds the amount
32 necessary to pay the student's educational expenses for an
33 academic year, the commission is directed to retain the excess
34 grant moneys for the student's educational expenses in the
35 next two consecutive academic years. If the student fails to

1 enroll and attend an accredited Iowa postsecondary institution
2 by June 30 of the third consecutive academic year, the grant
3 moneys retained for the student's use by the commission revert
4 to the general fund of the state.

5 The bill directs the department of education to annually
6 provide the general assembly with an estimate of the number of
7 high school sophomores in Iowa who, in the next succeeding
8 school year, will be eligible to receive a high school
9 diploma.

10 The bill also requires the board of directors of a school
11 district to publicize in, at a minimum, the school district's
12 student handbook and on the school district's web page, the
13 higher education opportunities available to students,
14 including opportunities under the postsecondary enrollment
15 options Act and classes offered under district-to-community
16 college sharing agreements.

17
18
19
20
21

HOUSE FILE 2715

H-8160

1 Amend House File 2715 as follows:

2 1. Page 1, line 10, by inserting after the word
3 "junior" the following: "or senior".

4 2. Page 3, line 5, by inserting after the word
5 "sophomore" the following: "and junior".

6 3. Title page, lines 5 and 6, by striking the
7 words "prior to enrollment as high school seniors" and
8 inserting the following: "by the end of their junior
9 or senior school year".

By MASCHER of Johnson

H-8160 FILED MARCH 9, 2006

32
33
34
35

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2715 - Jump Start Scholarships Program (LSB 5126 HV)
Analyst: Mary Shipman (Phone: [515] 281-4617) (mary.shipman@legis.state.ia.us)
Fiscal Note Version - NEW

Description

House File 2715 creates a Jump Start Grant Program to be administered by the College Student Aid Commission. The Program provides grants to high school students that graduate at the end of the junior year of high school and enroll in college, full-time or part-time, following receipt of a high school diploma. To be eligible for a grant, the student must be an Iowa resident and attend an Iowa college or university. The grant is equal to the K-12 State Cost Per Pupil or \$5,000 whichever is greater. Part-time students would receive prorated grants.

The Bill allows the Commission to retain excess grant funds for the student for up to two years. After two years, any unused funds for the student revert to the General Fund.

The Bill requires the Department of Education to provide an estimate of the number of sophomore high school students that will be eligible to receive a diploma at the end of their junior year.

Assumptions

- The K-12 school aid formula State Cost Per Pupil equals \$5,128 for FY 2007 and \$5,333 for FY 2008. Of this per pupil cost, approximately two-thirds is paid by the State General Fund to the local district and one-third is generated by local district property tax. However, for the grants funded to students through this Program the State General Fund would pay 100.00% of the cost.
- To the extent that passage of this Bill provides an incentive for high school students to graduate at the end their junior year, this Bill will result in a savings equal to two-thirds of the State cost per pupil in calculation of allowable growth. However, the savings will not occur until the second year after the student graduates because school aid is calculated and paid based on the actual enrollment taken the previous September. Also, savings in the calculation of school aid in future years will apply only to the number of graduates in excess of the current cohort (60 students, see below) because those students would have graduated at the end of their junior year regardless of other circumstances and are already factored into the calculation of allowable growth.
- In the first year this Program is implemented, there will be a cost to the State General Fund because the local school district will be receiving the final year of funding for eligible students through the school aid formula and the State General Fund will be paying the full grant if the student is eligible.
- The Department of Education reported that 60 students left high school after their junior year at the end of the 2004-2005 school year. However, only 49 of those received regular diplomas. For purposes of fiscal impact, it is assumed that the number of graduates will remain the same for the 2005-2006 school year and that 39 (80.00%) of those receiving regular diplomas will enroll in college during FY 2007 and be eligible for grants.
- The number of students eligible for grants will increase by 10.0% for FY 2008.

Fiscal Impact

For FY 2007, the cost to the State General Fund will be approximately \$200,000.

For FY 2008, the cost to the State General Fund will be approximately \$229,000. However, of the \$21,000 attributable to the growth in the number of students (4), \$14,000 will result in General Fund savings in school aid and \$7,000 will result in local district property tax savings during FY 2009.

For FY 2009 and subsequent years, as long as this Program is in existence, the cost to the State General Fund will continue to grow. The growth in cost will depend on the growth in the amount of the State Cost Per Pupil and the number of students eligible for the program. However, the growth in General Fund cost will be offset by property tax savings in local school districts.

Source

Department of Education

/s/ Holly M. Lyons

March 9, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

Tomenga - CH

Tymeson
Wendt

HSB 590
EDUCATION

HOUSE FILE F 02715 ^{By}
BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY
CHAIRPERSON TYMESON)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a jump-start grant program for the
2 postsecondary education expenses of Iowa students who receive
3 high school diplomas prior to enrollment as high school
4 seniors.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

1 Section 1. NEW SECTION. 261.89 JUMP-START GRANT PROGRAM.

2 1. PROGRAM ESTABLISHED. A jump-start grant program is
3 established to be administered by the commission.

4 2. ELIGIBILITY. A grant under the jump-start grant
5 program may be awarded to a resident of Iowa who meets the
6 following criteria:

7 a. On or after July 1, 2006, received a high school
8 diploma from a school district not later than the end of the
9 semester or school year in which the student is enrolled as a
10 junior.

11 b. Is admitted and in attendance as a full-time or part-
12 time resident student at a community college as defined in
13 section 260C.2, an institution of higher learning under the
14 control of the board of regents, or an accredited private
15 institution as defined in section 261.9.

16 3. GRANT AMOUNT. The amount of the grant awarded to an
17 eligible student shall be as follows:

18 a. To a full-time student, an amount equal to the state
19 cost per pupil or five thousand dollars, whichever is greater.

20 b. To a part-time student, an amount equivalent to the
21 amount paid to a full-time student, but prorated based on the
22 number of semester hours, or the trimester or quarter
23 equivalent, for which the part-time student is enrolled.

24 4. EXCESS GRANT MONEYS. Notwithstanding subsection 3, if
25 the grant amount exceeds the amount necessary to pay the
26 student's educational expenses for an academic year, the
27 commission shall retain the excess grant moneys for the
28 student's educational expenses for not more than the two
29 consecutive academic years. If the student fails to enroll
30 and attend a community college as defined in section 260C.2,
31 an institution of higher learning under the control of the
32 board of regents, or an accredited private institution as
33 defined in section 261.9 by June 30 of the third consecutive
34 academic year, the grant moneys retained for the student by
35 the commission shall revert to the general fund of the state.

1 5. REFUND. If the student discontinues attendance before
2 the end of any term after receiving payment of the grant, the
3 entire amount of any refund due that student, up to the amount
4 of any payments made under the annual grant, shall be paid by
5 the institution to the state.

6 6. DEFINITIONS. As used in this division, unless the
7 context otherwise requires:

8 a. "Commission" means the college student aid commission.

9 b. "Educational expenses for an academic year" means the
10 following:

11 (1) Tuition and fees normally assessed a student carrying
12 the same academic workload as determined by the institution,
13 and including costs for rental or purchase of any equipment,
14 materials, or supplies required of all students in the same
15 course of study.

16 (2) An allowance for books, supplies, transportation, and
17 miscellaneous personal expenses, including a reasonable
18 allowance for the documented rental or purchase of a personal
19 computer, for a student enrolled at an accredited private
20 institution, community college, or board of regents'
21 university in a course of study including at least six
22 semester hours or the trimester or quarter equivalent of six
23 semester hours.

24 (3) An allowance, as determined by the appropriate
25 accredited postsecondary educational institution, for room and
26 board costs incurred by the student which shall be based on
27 the expenses reasonably incurred for room and board at the
28 institution by a student without dependents.

29 c. "Full-time student" means an individual who is enrolled
30 at an accredited private institution, community college, or
31 board of regents university for at least twelve semester hours
32 or the trimester or quarter equivalent.

33 d. "Part-time student" means an individual who is enrolled
34 at an accredited private institution, community college, or
35 board of regents university for at least three semester hours

1 or the trimester or quarter equivalent, but for less than
2 twelve semester hours or the trimester or quarter equivalent.

3 7. ELIGIBILITY ESTIMATION. The department of education
4 shall annually provide to the general assembly an estimate of
5 the number of sophomore high school students in Iowa who, in
6 the next succeeding school year, will be eligible to receive a
7 high school diploma.

8 8. RULES. The commission shall adopt rules pursuant to
9 chapter 17A to administer this division.

10

EXPLANATION

11 This bill establishes a jump-start grant program for Iowa
12 highschool students who, on or after July 1, 2006, receive a
13 diploma from a public high school by the end of their junior
14 year. The students must be residents of Iowa who are admitted
15 and in attendance as a full-time or part-time resident student
16 at an accredited Iowa postsecondary institution. The program
17 is to be administered by the college student aid commission.

18 The amount of the grant awarded to a full-time student is
19 an amount equal to the state cost per pupil or \$5,000,
20 whichever is greater. The amount to a part-time student is
21 prorated. However, if the grant amount exceeds the amount
22 necessary to pay the student's educational expenses for an
23 academic year, the commission is directed to retain the excess
24 grant moneys for the student's educational expenses in the
25 next two consecutive academic years. If the student fails to
26 enroll and attend an accredited Iowa postsecondary institution
27 by June 30 of the third consecutive academic year, the grant
28 moneys retained for the student's use by the commission revert
29 to the general fund of the state.

30 The bill directs the department of education to annually
31 provide the general assembly with an estimate of the number of
32 high school sophomores in Iowa who, in the next succeeding
33 school year, will be eligible to receive a high school
34 diploma.

35