

**Senate Study Bill 3139 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
EDUCATION BILL)

**A BILL FOR**

1 An Act relating to the elimination of the college student  
2 aid commission, the establishment of a college student  
3 aid council, and transferring the commission's duties and  
4 responsibilities to the state board of education, the state  
5 board of regents, and the department of education; making  
6 appropriations; providing for related matters; and including  
7 effective date provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

TRANSFER OF COMMISSION DUTIES

1  
2  
3 Section 1. Section 7A.4, subsection 4, Code 2011, is amended  
4 by striking the subsection.

5 Sec. 2. Section 7E.7, Code 2011, is amended to read as  
6 follows:

7 **7E.7 Organizational structure.**

8 For organizational purposes only, the following apply:

9 ~~1. The Iowa higher education loan authority shall be~~  
10 ~~attached to the college student aid commission.~~

11 ~~2. The Iowa advance funding authority shall be considered~~  
12 ~~part of the department of education. The department of~~  
13 ~~education may provide staff assistance and administrative~~  
14 ~~support to the authority.~~

15 Sec. 3. Section 8A.504, subsection 3, Code Supplement 2011,  
16 is amended to read as follows:

17 3. In the case of multiple claims to payments filed under  
18 this section, priority shall be given to claims filed by the  
19 child support recovery unit or the foster care recovery unit,  
20 next priority shall be given to claims filed by the clerk of  
21 the district court, ~~next priority shall be given to claims~~  
22 ~~filed by the college student aid commission,~~ next priority  
23 shall be given to claims filed by the investigations division  
24 of the department of inspections and appeals, and last priority  
25 shall be given to claims filed by other state agencies. In the  
26 case of multiple claims in which the priority is not otherwise  
27 provided by this subsection, priority shall be determined in  
28 accordance with rules to be established by the director.

29 Sec. 4. Section 8A.504, subsection 4, Code Supplement 2011,  
30 is amended by striking the subsection.

31 Sec. 5. Section 35.9, subsection 2, paragraph b, Code 2011,  
32 is amended to read as follows:

33 *b.* A child eligible to receive state educational assistance  
34 under this subsection shall begin postsecondary education prior  
35 to reaching age twenty-six, shall not receive more than an

1 amount equal to five times the highest resident undergraduate  
2 tuition rate established per year for an institution of higher  
3 learning under the control of the state board of regents  
4 during the child's lifetime, and shall, to remain eligible  
5 for assistance, meet the academic progress standards of the  
6 postsecondary educational institution. Payments for state  
7 educational assistance for a child under this subsection  
8 shall be made to the applicable postsecondary educational  
9 institution. The ~~college student aid commission~~ department of  
10 education may, if requested, assist the department of veterans  
11 affairs in administering this subsection.

12 Sec. 6. Section 135.107, subsection 3, paragraph b,  
13 subparagraph (3), Code 2011, is amended to read as follows:

14 (3) The center for rural health and primary care may enter  
15 into an agreement under chapter 28E with the ~~college student~~  
16 ~~aid commission~~ department of education for the administration  
17 of this program.

18 Sec. 7. Section 135.107, subsection 3, paragraph c,  
19 subparagraph (3), Code 2011, is amended to read as follows:

20 (3) The center for rural health and primary care may enter  
21 into an agreement under chapter 28E with the ~~college student~~  
22 ~~aid commission~~ department of education for the administration  
23 of this program.

24 Sec. 8. Section 135.175, subsection 5, paragraph b, Code  
25 2011, is amended to read as follows:

26 *b.* The health care professional and Iowa needs nurses now  
27 initiative account. The health care professional and Iowa  
28 needs nurses now initiative account shall be under the control  
29 of the ~~college student aid commission~~ ~~created in section 261.1~~  
30 department of education as provided in chapter 261 and the  
31 moneys in the account shall be used for the purposes of the  
32 health care professional incentive payment program and the Iowa  
33 needs nurses now initiative as specified in sections 261.128  
34 and 261.129. Moneys in the account shall consist of moneys  
35 appropriated or allocated for deposit in or received by the

1 fund or the account and specifically dedicated to the health  
2 care professional and Iowa needs nurses now initiative or the  
3 account for the purposes of the account.

4 Sec. 9. Section 135.177, subsection 1, Code Supplement  
5 2011, is amended to read as follows:

6 1. The department, in cooperation with the ~~college student~~  
7 ~~aid commission~~ department of education as provided in chapter  
8 261, shall establish a physician assistant mental health  
9 fellowship program in accordance with this section. Funding  
10 for the program may be provided through the health care  
11 workforce shortage fund or the physician assistant mental  
12 health fellowship program account created in section 135.175.  
13 The purpose of the program is to determine the effect of  
14 specialized training and support for physician assistants in  
15 providing mental health services on addressing Iowa's shortage  
16 of mental health professionals.

17 Sec. 10. Section 135.177, subsection 2, paragraph e, Code  
18 Supplement 2011, is amended to read as follows:

19 e. A student participating in the program shall be eligible  
20 for a stipend of not more than fifty thousand dollars for the  
21 twelve months of the fellowship plus related fringe benefits.  
22 In addition, a student who completes the program and practices  
23 in Iowa in a mental health professional shortage area, as  
24 defined in section 135.180, shall be eligible for up to twenty  
25 thousand dollars in loan forgiveness. The stipend and loan  
26 forgiveness provisions shall be determined by the department of  
27 public health and the ~~college student aid commission~~ department  
28 of education, in consultation with the clinical partners.

29 Sec. 11. Section 232.2, subsection 4, paragraph f,  
30 subparagraph (5), Code 2011, is amended to read as follows:

31 (5) If the child is interested in pursuing higher education,  
32 the transition plan shall provide for the child's participation  
33 in the ~~college student aid commission's~~ department of  
34 education's program of assistance in applying for federal and  
35 state aid under section 261.2.

1 Sec. 12. Section 256.7, unnumbered paragraph 1, Code  
2 Supplement 2011, is amended to read as follows:

3 Except for ~~the college student aid commission~~, the  
4 commission of libraries and division of library services, and  
5 the public broadcasting board and division, the state board  
6 shall:

7 Sec. 13. Section 256.7, subsection 22, Code Supplement  
8 2011, is amended to read as follows:

9 22. Adopt rules and a procedure for the approval of  
10 para-educator preparation programs offered by a public school  
11 district, area education agency, community college, institution  
12 of higher education under the state board of regents, or an  
13 accredited private institution as defined in section ~~261.9~~,  
14 ~~subsection 1~~ 261.1. The programs shall train and recommend  
15 individuals for para-educator certification under section  
16 272.12.

17 Sec. 14. Section 256.7, Code Supplement 2011, is amended by  
18 adding the following new subsection:

19 NEW SUBSECTION. 31. Adopt rules for the administration  
20 of chapter 261, including as provided in section 261.3, and  
21 chapter 261B.

22 Sec. 15. Section 256.9, unnumbered paragraph 1, Code  
23 Supplement 2011, is amended to read as follows:

24 Except for ~~the college student aid commission~~, the  
25 commission of libraries and division of library services, and  
26 the public broadcasting board and division, the director shall:

27 Sec. 16. Section 261.1, Code 2011, is amended by striking  
28 the section and inserting in lieu thereof the following:

29 **261.1 Definitions.**

30 As used in this chapter, unless the context otherwise  
31 requires:

32 1. "*Accredited private institution*" means an eligible  
33 institution which is operated privately and not controlled or  
34 administered by any state agency or any subdivision of the  
35 state and which meets the criteria of either paragraphs "a" and

1 "b" or paragraph "c" as follows:

2 a. Is accredited by the higher learning commission of the  
3 north central association of colleges and schools accrediting  
4 agency.

5 b. Is exempt from taxation under section 501(c)(3) of  
6 the Internal Revenue Code, and annually provides a matching  
7 aggregate amount of institutional financial aid equal to  
8 at least seventy-five percent of the amount received in a  
9 fiscal year by the institution's students for Iowa tuition  
10 grant assistance under this chapter. The matching aggregate  
11 amount of institutional financial aid shall increase annually  
12 by the percentage of increase each fiscal year of funds  
13 appropriated for Iowa tuition grants under section 261.12,  
14 to a maximum match of one hundred percent. The institution  
15 shall file annual reports with the department prior to receipt  
16 of tuition grant moneys under this chapter. For purposes of  
17 this subsection and section 261.12, subsection 2, "*for-profit*  
18 *accredited private institution*" means an institution whose  
19 students were eligible to receive tuition grants in the fiscal  
20 year beginning July 1, 2003, whose income is not exempt from  
21 taxation under section 501(c)(3) of the Internal Revenue Code,  
22 and that meets the accreditation requirements of paragraph "a"  
23 and the match requirements of this paragraph. A for-profit  
24 accredited private institution is ineligible to receive tuition  
25 grant funds awarded pursuant to section 261.12, subsection 1.

26 c. Is a specialized college that is accredited by the  
27 higher learning commission of the north central association  
28 of colleges and schools accrediting agency, and which offers  
29 health professional programs that are affiliated with health  
30 care systems located in Iowa.

31 2. "*Community college*" means the same as defined in section  
32 260C.2.

33 3. "*Course of study*" means a postsecondary educational  
34 program that an eligible institution offers through any one or  
35 a combination of in-person instruction and distance delivery.

1 4. "*Department*" means the department of education.

2 5. "*Eligible borrower*" means a person, or the parent of  
3 a person, who is enrolled or will be enrolled at an eligible  
4 institution. An eligible borrower must meet the general  
5 eligibility requirements established by the state board.

6 6. "*Eligible institution*" means a community college, an  
7 institution of higher education governed by the state board of  
8 regents, or a postsecondary educational institution that is  
9 located in Iowa and meets all of the following requirements:

10 a. Submits an annual report in a format approved by the  
11 department that includes but is not limited to accurate  
12 institutional and student data required by the department  
13 for the administration of programs established pursuant to  
14 this chapter and to meet policy analysis needs of the general  
15 assembly. The report shall include the annual fall enrollment  
16 count of full-time, part-time, online, extension, and dual  
17 enrollment students determined on the official fall enrollment  
18 date set by the United States department of education. The  
19 department may withhold payment of funds to students at an  
20 otherwise eligible institution if the institution fails to file  
21 a timely, accurate, or complete report, until such time as the  
22 required reports have been submitted to the department.

23 b. Promotes equal opportunity and affirmative action efforts  
24 in the recruitment, appointment, assignment, and advancement of  
25 personnel at the institution.

26 c. Adopts a policy to offer not less than the following  
27 options to a student who is a member, or the spouse of a member  
28 if the member has a dependent child, of the Iowa national guard  
29 or reserve forces of the United States and who is ordered to  
30 state military service or federal service or duty:

31 (1) Withdraw from the student's entire registration and  
32 receive a full refund of tuition and mandatory fees.

33 (2) Make arrangements with the student's instructors for  
34 course grades, or for incompletes that shall be completed by  
35 the student at a later date. If such arrangements are made,

1 the student's registration shall remain intact and tuition and  
2 mandatory fees shall be assessed for the courses in full.

3 (3) Make arrangements with only some of the student's  
4 instructors for grades, or for incompletes that shall be  
5 completed by the student at a later date. If such arrangements  
6 are made, the registration for those courses shall remain  
7 intact and tuition and mandatory fees shall be assessed for  
8 those courses. Any course for which arrangements cannot be  
9 made for grades or incompletes shall be considered dropped and  
10 the tuition and mandatory fees for the course refunded.

11 d. Is not required to register under chapter 261B.

12 e. Is eligible to participate in a federal student aid  
13 program authorized under Tit. IV of the federal Higher  
14 Education Act of 1965, as amended.

15 7. "*Eligible lender*" means a financial or credit  
16 institution, insurance company, or other approved lender which  
17 meets the standards prescribed by the state board and has  
18 executed a lender participation agreement with the department.

19 8. "*Eligible student*" means a student who complies with all  
20 of the following:

21 a. Is a citizen or eligible noncitizen of the United States  
22 and a resident of this state.

23 b. Is enrolled and making satisfactory academic progress or  
24 accepted for enrollment at an eligible institution.

25 c. Completes and files an application for a scholarship or  
26 grant.

27 d. Is responsible for the submission of the parents'  
28 confidential statement for processing, the processed  
29 information to be returned both to the department and to the  
30 institution in which the applicant is enrolling.

31 e. Reports promptly to the department any information  
32 requested.

33 f. Files a new application and parents' confidential  
34 statement annually on the basis of which the applicant's  
35 eligibility for a renewed tuition grant will be evaluated and

1 determined.

2 *g.* Has not defaulted on a loan guaranteed by the federal  
3 government.

4 9. "*Fee*" means actual charges in addition to tuition that  
5 are consistently assessed to all undergraduate students by an  
6 eligible institution. Mandatory fees may differ by program,  
7 but must be applied to all students enrolled in a specific  
8 program.

9 10. "*Financial need*" means the difference between the  
10 student's financial resources available, including those  
11 available from the student and the student's parents as  
12 determined by a completed parents' confidential statement and  
13 any federal or state program for which the student is eligible,  
14 and the student's anticipated expenses while attending an  
15 eligible institution. Financial need shall be determined at  
16 least annually.

17 11. "*Full-time student*" means an eligible student who  
18 is enrolled in a course of study including at least twelve  
19 semester hours or the equivalent of twelve semester hours.

20 12. "*Grant*" means an award by the state of Iowa to an  
21 eligible student under a program administered by the department  
22 pursuant to this chapter.

23 13. "*Part-time student*" means an eligible student who is  
24 enrolled in a course of study including at least three semester  
25 hours or the equivalent of three semester hours.

26 14. "*Qualified student*" means an eligible student who has  
27 established financial need and is making satisfactory progress  
28 toward graduation.

29 15. "*State board*" means the state board of education.

30 16. "*Tuition grant*" means an award by the state of Iowa to a  
31 qualified student under 261.10.

32 Sec. 17. Section 261.2, Code Supplement 2011, is amended to  
33 read as follows:

34 **261.2 Duties of ~~commission~~ department.**

35 The ~~commission~~ department shall do all of the following:

1 1. a. Prepare and administer a state plan for a state  
2 ~~supported~~ state-supported and ~~administered~~ state-administered  
3 scholarship ~~program~~ and grant programs. The state plan shall  
4 provide for scholarships and grants to deserving students of  
5 Iowa, matriculating in Iowa universities, colleges, community  
6 colleges, or schools of professional nursing. ~~Eligibility of~~  
7 ~~a student for receipt of a scholarship shall be based upon~~  
8 ~~academic achievement and completion of advanced level courses~~  
9 ~~prescribed by the commission.~~

10 b. Approve and award scholarships and grants under the state  
11 plan.

12 ~~2. Administer the tuition grant program under this chapter.~~

13 ~~3.~~ 2. Develop and implement, in cooperation with the  
14 state board of regents, an educational program and marketing  
15 strategies designed to inform students and parents about the  
16 options available for financing a college education and the  
17 need to accumulate the financial resources necessary to pay for  
18 a college education. The educational program shall include  
19 but not be limited to distribution of informational material  
20 to public and nonpublic elementary schools for distribution to  
21 parents and guardians of five-year and six-year old children.

22 ~~4.~~ 3. Approve Administer and approve transfers from the  
23 scholarship and ~~tuition grant~~ reserve fund under section ~~261.20~~  
24 261.4.

25 ~~5. Develop and implement, in cooperation with the~~  
26 ~~judicial district departments of correctional services and~~  
27 ~~the department of corrections, a program to assist criminal~~  
28 ~~offenders in applying for federal and state aid available for~~  
29 ~~higher education.~~

30 ~~6. Develop and implement, in cooperation with the~~  
31 ~~department of human services and the judicial branch, a program~~  
32 ~~to assist juveniles who are sixteen years of age or older and~~  
33 ~~who have a case permanency plan under chapter 232 or 237 or are~~  
34 ~~otherwise under the jurisdiction of chapter 232 in applying~~  
35 ~~for federal and state aid available for higher education.~~

1 ~~The commission shall also develop and implement the all-Iowa~~  
2 ~~opportunity foster care grant program in accordance with~~  
3 ~~section 261.6.~~

4 ~~7. 4. a. Adopt rules to establish reasonable registration~~  
5 ~~standards for the approval, pursuant to section 261B.3A, of~~  
6 ~~postsecondary schools that are required to register with the~~  
7 ~~commission in order to operate in this state. The registration~~  
8 ~~standards established by the commission shall ensure that all~~  
9 ~~of the following conditions are satisfied:~~

10 ~~(1) The courses, curriculum, and instruction offered by~~  
11 ~~the postsecondary school are of such quality and content as~~  
12 ~~may reasonably and adequately ensure achievement of the stated~~  
13 ~~objective for which the courses, curriculum, or instruction are~~  
14 ~~offered.~~

15 ~~(2) The postsecondary school has adequate space, equipment,~~  
16 ~~instructional material, and personnel to provide education and~~  
17 ~~training of good quality.~~

18 ~~(3) The educational and experience qualifications of~~  
19 ~~the postsecondary school's directors, administrators, and~~  
20 ~~instructors are such as may reasonably ensure that students~~  
21 ~~will receive instruction consistent with the objectives of the~~  
22 ~~postsecondary school's programs of study.~~

23 ~~(4) Upon completion of training or instruction, students~~  
24 ~~are given certificates, diplomas, or degrees as appropriate by~~  
25 ~~the postsecondary school indicating satisfactory completion of~~  
26 ~~the program.~~

27 ~~(5) The postsecondary school is financially responsible and~~  
28 ~~capable of fulfilling commitments for instruction.~~

29 ~~b. The commission shall post Post an application for~~  
30 ~~registration as a school operating as a postsecondary~~  
31 ~~educational institution or providing postsecondary~~  
32 ~~instructional programs on the commission's its internet~~  
33 ~~site and shall render a decision on an application for~~  
34 ~~registration within one hundred eighty days of the filing of~~  
35 ~~the application. The department shall charge a reasonable~~

1 fee to process the applications. The moneys collected from  
2 application fees shall be considered a repayment receipt,  
3 as defined in section 8.2, and shall be retained by the  
4 department.

5 ~~8.~~ 5. Submit by January 15 annually a report to the  
6 general assembly which provides, by program, the number of  
7 individuals who received loan forgiveness in the previous  
8 fiscal year, the amount paid to individuals under sections  
9 261.23, 261.73, and 261.112, and the institutions from which  
10 individuals graduated, and that includes any proposed statutory  
11 changes and Make an annual report to the state board, the  
12 governor, and the general assembly on the activities of the  
13 department required under this chapter including but not  
14 limited to the number of individuals who received scholarships,  
15 grants, and loan forgiveness in the previous fiscal year. The  
16 report shall include the methodology and manner in which the  
17 department makes the determination of awards for programs for  
18 which funds are appropriated under this chapter. The report  
19 shall also include the ~~commission's~~ department's findings and  
20 recommendations.

21 ~~9.~~ 6. Require any postsecondary institution whose students  
22 are eligible for or who receive assistance under programs  
23 administered by the ~~commission~~ department pursuant to this  
24 chapter and who were enrolled in a school district in Iowa to  
25 include in its student management information system the unique  
26 student identifiers assigned to the institution's students  
27 while the students were in the state's kindergarten through  
28 grade twelve system.

29 ~~10. Administer the health care professional incentive~~  
30 ~~payment program established in section 261.128 and the Iowa~~  
31 ~~needs nurses now initiative created in section 261.129. This~~  
32 ~~subsection is repealed June 30, 2014.~~

33 ~~11.~~ 7. Ensure that students receiving state-funded  
34 scholarships and grants are attending institutions of higher  
35 education that meet all of the following conditions:

1 ~~a.~~ The institutions are not required to register under  
2 chapter 261B.

3 ~~b.~~ The institutions are eligible to participate in a federal  
4 student aid program authorized under Tit. IV of the federal  
5 Higher Education Act of 1965, as amended.

6 ~~12.~~ 8. Require any postsecondary institution whose  
7 students are eligible for or who receive financial assistance  
8 under programs administered by the ~~commission~~ department  
9 pursuant to this chapter to transmit annually to the ~~commission~~  
10 department information about the numbers of minority students  
11 enrolled in and minority faculty members employed at the  
12 institution. The ~~commission~~ department shall compile and  
13 report the information collected to the general assembly,  
14 the governor, and the legislative services agency by March 1  
15 annually.

16 9. Maintain an agency operating account as authorized  
17 by the federal Higher Education Act of 1965. The department  
18 shall credit to this account all moneys provided for the state  
19 student loan program by the United States, the state of Iowa,  
20 or any of their agencies, departments or instrumentalities, as  
21 well as any funds accruing to the program from other sources.  
22 The department may expend moneys in the agency operating  
23 account as authorized by the federal Higher Education Act  
24 of 1965 as necessary to execute the department's powers and  
25 duties under this chapter. Notwithstanding section 8.33,  
26 funds on deposit in the operating account shall not revert  
27 to the general fund of the state at the close of any fiscal  
28 year. The treasurer of state shall invest any funds, including  
29 those in the operating account, and, notwithstanding section  
30 12C.7, the interest income earned shall be credited back to the  
31 appropriate accounts.

32 10. Administer all properties and moneys necessary to  
33 execute the department's powers and duties under this chapter  
34 in accordance with the requirements of the federal Higher  
35 Education Act of 1965, as amended.

1 11. Enter into any agreements with the United States  
2 secretary of education or other federal agency as are necessary  
3 to provide programs and services administered pursuant to this  
4 chapter to current and future Iowa postsecondary students, to  
5 the students' school counselors, parents, and guardians, and  
6 to the elementary, secondary, and postsecondary institutions  
7 the students attend.

8 12. Administer the college access challenge grant program  
9 authorized by 20 U.S.C. § 1141, or its successor program.

10 13. Administer the gaining early awareness and readiness  
11 for undergraduate program authorized by 20 U.S.C. § 1070a-21  
12 through 1070a-28, or its successor program.

13 14. Enter into any agreements with the United States  
14 secretary of education necessary for purposes of receiving the  
15 full benefit of state program incentives offered pursuant to  
16 the Higher Education Act of 1965.

17 15. Develop and implement programs and other initiatives  
18 or services necessary to perform duties that include but are  
19 not limited to postsecondary student aid outreach, financial  
20 literacy education, career planning, postsecondary student  
21 aid program compliance assistance and training, postsecondary  
22 student aid program monitoring and compliance relating  
23 to eligible institutions, default prevention, and default  
24 aversion.

25 16. Conduct college access initiative activities including  
26 but not limited to providing publications, programs, training,  
27 and internet-based resources for the public relating to college  
28 planning, career preparation, and paying for college. As  
29 deemed necessary, provide applicants with information about  
30 enrollment, placement statistics, and the past default rates  
31 of postsecondary institutions.

32 17. Negotiate and contract with private and government  
33 agencies for the establishment of financial aid programs;  
34 receive gifts of any type for the purpose of establishing,  
35 continuing, and increasing financial aid; and administer

1 any form of financial aid submitted to and accepted for  
2 administration by the department.

3 18. Appoint a chief administrative officer to direct and  
4 oversee the day-to-day activities of the department required  
5 pursuant to this chapter. The chief administrative officer  
6 shall have expertise in student financial aid programs,  
7 including but not limited to state and federal scholarship and  
8 grant programs and federal student aid programs.

9 Sec. 18. Section 261.3, Code 2011, is amended by striking  
10 the section and inserting in lieu thereof the following:

11 **261.3 Duties of the state board — decisions final.**

12 1. The state board shall adopt rules for the administration  
13 of this chapter, including but not limited to rules for the  
14 following:

15 a. Standards, guidelines, and procedures for each  
16 individual program administered by the department under this  
17 chapter. The rules adopted pursuant to this subsection shall  
18 provide for the receipt, processing, and administration of  
19 student applications and loans; determining financial need  
20 and the priority of grants awarded based on financial need;  
21 defining tuition and mandatory fees; processing and approving  
22 applications for scholarships, grants, and loans; determining  
23 eligibility requirements for eligible borrowers; determining  
24 priority for grants and loans; awarding tuition grants;  
25 establishing procedures for the repayment of loans and for  
26 the deferral of loan repayment for purposes including but  
27 not limited to fulfillment of obligations such as military  
28 service obligations; and defining residence and determining who  
29 is a resident of Iowa. The state board may provide for the  
30 proration of funds if the available funds are insufficient to  
31 pay all approved scholarships or grants. Such proration shall  
32 take primary account of the financial need of the applicant.  
33 The rules for determining who is a resident of Iowa shall be at  
34 least as restrictive as those of the state board of regents.

35 b. Develop and implement a method for allocating moneys

1 awarded under section 261.11 based upon the need for skills  
2 and occupations for which a career and technical education is  
3 required.

4 c. Prescribe by rule interest rates for student loans  
5 administered by the department.

6 2. For purposes of this chapter, a decision of the state  
7 board is final agency action under chapter 17A.

8 Sec. 19. Section 261.4, Code 2011, is amended by striking  
9 the section and inserting in lieu thereof the following:

10 **261.4 Scholarships and grant reserve fund.**

11 1. A scholarship and grant reserve fund is created to assure  
12 that financial assistance will be available to all students  
13 who are awarded scholarships or grants through programs funded  
14 under this chapter. The fund is created as a separate fund in  
15 the state treasury, and moneys in the fund shall not revert to  
16 the general fund unless, and then only to the extent that, the  
17 funds exceed the maximum allowed balance.

18 2. The maximum balance of the scholarship and grant  
19 reserve fund is an amount equal to two percent of the funds  
20 appropriated to the scholarship and grant programs under  
21 this chapter during the preceding fiscal year. Moneys in  
22 the account shall only be used to alleviate a current fiscal  
23 year shortfall in appropriations for scholarships, grants, and  
24 other programs under this chapter. At the conclusion of a  
25 fiscal year, any surplus appropriations made to the department  
26 for scholarships and grant programs are appropriated to the  
27 scholarship and grant reserve fund in an amount equal to the  
28 amount of the surplus or the amount necessary to achieve the  
29 maximum balance, whichever amount is less.

30 3. Transfers of moneys from the scholarship and grant  
31 reserve fund to appropriation accounts in which there is  
32 a current fiscal year shortfall may be made only with the  
33 prior written approval of the governor. At least two weeks  
34 before moneys are transferred from the fund, the department  
35 shall notify the chairpersons of the standing appropriations

1 committees of the general assembly and the co-chairpersons  
2 of the education appropriations subcommittee of the proposed  
3 transfer. The notice shall include information concerning  
4 the amount of and reason for the proposed transfer. The  
5 chairpersons shall be given at least two weeks to review and  
6 comment on the proposed transfer before the transfer can be  
7 made.

8 Sec. 20. Section 261.5, subsections 2, 3, and 4, Code 2011,  
9 are amended to read as follows:

10 2. Notwithstanding any other provision of this chapter, in  
11 the event of a national emergency declared by the president  
12 of the United States by reason of terrorist attack, the  
13 ~~commission~~ department may waive or modify any statutory or  
14 regulatory provision applicable to state financial aid programs  
15 established pursuant to this chapter to ensure, with regard to  
16 affected individuals, that the following occurs:

17 ~~a. The financial positions of affected individuals who are~~  
18 ~~state student loan borrowers are not worsened in relation to~~  
19 ~~those loans because of their status as affected individuals.~~

20 ~~b. Administrative requirements placed on state student~~  
21 ~~loan borrowers are minimized, to the extent possible, without~~  
22 ~~impairing the integrity of the student loan programs, to~~  
23 ~~ease the burden on these borrowers and to avoid inadvertent~~  
24 ~~technical violations or defaults.~~

25 ~~c. The calculation of "annual adjusted family income" and~~  
26 ~~"available income", as used in the determination of need for~~  
27 ~~student financial assistance under 20 U.S.C. § 1070 et seq.,~~  
28 ~~for affected individuals, or if applicable, for the spouses or~~  
29 ~~dependents of affected individuals, may be modified to mean~~  
30 ~~the sums received in the first calendar year of the award year~~  
31 ~~for which the determination is made, in order to reflect more~~  
32 ~~accurately the financial condition of the affected individuals~~  
33 ~~or their families.~~

34 3. Notwithstanding any other provision of this chapter, in  
35 the event of a national emergency declared by the president

1 of the United States by reason of terrorist attack, the  
2 ~~commission~~ department may grant temporary relief from  
3 requirements rendered infeasible or unreasonable, including  
4 due diligence requirements and reporting deadlines, by the  
5 national emergency, to an institution of higher education under  
6 the state board of regents, a community college, an accredited  
7 private institution ~~as defined in section 261.9~~, eligible  
8 lenders, and other entities participating in the state student  
9 assistance programs in accordance with this chapter, that are  
10 located in, or whose operations are directly affected by, areas  
11 that are declared disaster areas by any federal, state, or  
12 local official in connection with the national emergency. If  
13 the ~~commission~~ department issues a waiver in accordance with  
14 this section, the report prepared by the ~~commission~~ department  
15 pursuant to section 17A.9A, subsection 5, shall include  
16 examples of measures that a postsecondary institution may take  
17 in the appropriate exercise of discretion, as provided in 20  
18 U.S.C. § 1087tt, to adjust financial need and aid eligibility  
19 determinations for affected individuals.

20 4. This section shall not be construed as a requirement that  
21 the ~~commission~~ department exercise the waiver or modification  
22 authority provided pursuant to this section on a case-by-case  
23 basis.

24 Sec. 21. Section 261.6, Code Supplement 2011, is amended  
25 by striking the section and inserting in lieu thereof the  
26 following:

27 **261.6 Iowa state fair scholarship.**

28 The Iowa state fair scholarship fund is established in the  
29 office of the treasurer of state to be administered by the  
30 department. The rules adopted by the state board for the  
31 administration of this chapter pursuant to section 256.7,  
32 subsection 31, shall provide, at a minimum, that only residents  
33 of Iowa who have actively participated in the Iowa state fair  
34 and graduated from an accredited secondary school in Iowa  
35 shall be eligible to receive an Iowa state fair scholarship

1 for matriculation at an eligible institution. Notwithstanding  
2 section 12C.7, interest earned on money in the Iowa state fair  
3 scholarship fund shall be deposited into the fund and may be  
4 used by the department only for Iowa state fair scholarship  
5 awards.

6 Sec. 22. Section 261.7, subsections 2 and 3, Code 2011, are  
7 amended to read as follows:

8 2. The general assembly recommends that every public  
9 and private institution of higher education in this state,  
10 including those institutions referenced in chapters 260C and  
11 262 and section ~~261.9~~ 261.1, post the list of required and  
12 suggested textbooks for all courses and the corresponding  
13 international standard book numbers for such textbooks at least  
14 fourteen days before the start of each semester or term, to  
15 the extent possible, at the locations where textbooks are sold  
16 on campus and on the website for the respective institution of  
17 higher education.

18 3. The ~~college student aid commission~~ department is  
19 directed to convey the legislative intent and recommendation  
20 contained in this section to every institution of higher  
21 education in the state registered pursuant to chapter 261B at  
22 least once a year.

23 Sec. 23. NEW SECTION. **261.8 College student aid council.**

24 1. A college student aid council is established consisting  
25 of twelve members. Membership of the council shall be as  
26 follows:

27 a. A member of the state board of regents, or the executive  
28 director of the board, as appointed by the state board of  
29 regents, who shall serve for a four-year term or until the  
30 expiration of the member's term of office.

31 b. The director of the department or the director's  
32 designee.

33 c. Four members of the general assembly serving as ex  
34 officio, nonvoting members who shall serve terms as provided in  
35 section 69.16B and shall be appointed as follows:

1 (1) One representative to be appointed by the speaker of the  
2 house of representatives.

3 (2) One representative to be appointed by the minority  
4 leader of the house of representatives.

5 (3) One senator to be appointed by the president of the  
6 senate after consultation with the majority leader of the  
7 senate.

8 (4) One senator to be appointed by the minority leader of  
9 the senate.

10 *d.* A college president appointed by an association which  
11 represents the largest number of independent colleges and  
12 universities in the state.

13 *e.* A community college president appointed by an association  
14 which represents the largest number of community colleges in  
15 the state.

16 *f.* A college president, appointed by the state board, who  
17 represents for-profit colleges and universities in the state.

18 *g.* Three additional members, none of whom shall be official  
19 board members or trustees of an institution of higher learning  
20 or of an association of institutions of higher learning, shall  
21 be selected by the state board to represent the general public.  
22 One of these members shall be enrolled as a student at an  
23 eligible institution.

24 2. Except as otherwise provided, members shall serve  
25 staggered terms of four years beginning on May 1 of the year  
26 of appointment. Vacancies on the council shall be filled  
27 in the same manner as the original appointment. A person  
28 appointed to fill a vacancy shall commence service on the date  
29 of appointment and shall serve only for the unexpired portion  
30 of the term. A vacancy shall exist on the council when the  
31 student member ceases to be enrolled as a student; such vacancy  
32 shall be filled within ninety days.

33 3. The council shall assist the state board with substantial  
34 issues which are directly related to college student financial  
35 aid and registration of postsecondary schools. The state board

1 shall refer all substantial issues directly related to college  
2 student financial aid and registration of postsecondary schools  
3 to the council. The council shall formulate recommendations on  
4 each issue referred to it by the state board and shall submit  
5 the recommendations to the state board within any time periods  
6 specified by the state board.

7 Sec. 24. Section 261.10, Code 2011, is amended by striking  
8 the section and inserting in lieu thereof the following:

9 **261.10 Iowa tuition grant program.**

10 1. An Iowa tuition grant program is established to be  
11 administered by the department. An Iowa tuition grant may  
12 be awarded to a qualified student who is admitted and in  
13 attendance as a full-time or part-time student at an accredited  
14 private institution. An Iowa tuition grant issued to a  
15 qualified student from funds appropriated under section 261.12,  
16 subsection 1, may be used for attendance at a not-for-profit  
17 accredited private institution. An Iowa tuition grant  
18 issued to a qualified student from funds appropriated under  
19 section 261.12, subsection 2, may be used for attendance at  
20 a for-profit accredited private institution as provided in  
21 section 261.12, subsection 2.

22 2. A qualified full-time student may receive tuition grants  
23 for not more than eight semesters of undergraduate study or the  
24 equivalent. A qualified part-time student may receive tuition  
25 grants for not more than sixteen semesters of undergraduate  
26 study or the equivalent.

27 3. a. The amount of a tuition grant to a qualified  
28 full-time student for the fall and spring semesters, or the  
29 equivalent, shall be the amount of the student's financial  
30 need for that period. However, a tuition grant shall not  
31 exceed the lesser of the total tuition and mandatory fees for  
32 that student for two semesters or the equivalent, less the  
33 base amount determined annually by the department, which base  
34 amount shall be within ten dollars of the average tuition for  
35 two semesters or the equivalent of undergraduate study at the

1 state universities under the board of regents, or six thousand  
2 dollars.

3     *b.* The amount of a tuition grant to a qualified full-time  
4 student for the summer semester or the equivalent shall be  
5 one-half the amount of the tuition grant the student receives  
6 under paragraph "a".

7     *c.* The amount of a tuition grant to a qualified part-time  
8 student enrolled in a course of study including at least three  
9 semester hours but fewer than twelve semester hours for the  
10 fall, spring, and summer semesters, or the equivalent, shall be  
11 equal to the amount of a tuition grant that would be paid to a  
12 full-time student times a number which represents the number  
13 of hours in which the part-time student is actually enrolled  
14 divided by twelve semester hours, or the equivalent.

15     4. A tuition grant may be made annually for the fall,  
16 spring, and summer semesters or the equivalent. Payments under  
17 the grant shall be allocated equally among the semesters,  
18 or their equivalent and shall be paid at the beginning of  
19 each semester, or the equivalent, upon certification by the  
20 accredited private institution that the student is admitted and  
21 in attendance. If the student discontinues attendance before  
22 the end of any semester, or the equivalent, after receiving  
23 payment under the grant, the entire amount of any refund due  
24 that student, up to the amount of any payments made under  
25 the annual grant, shall be paid by the accredited private  
26 institution to the state.

27     Sec. 25. Section 261.11, Code 2011, is amended by striking  
28 the section and inserting in lieu thereof the following:

29     **261.11 Career and technical tuition grants.**

30     1. A career and technical tuition grant may be awarded to  
31 any resident of Iowa who is admitted and in attendance as a  
32 full-time or part-time student in a career and technical or  
33 career option program at a community college in the state, and  
34 who establishes financial need.

35     2. All classes, including liberal arts classes, identified

1 by the community college as required for completion of the  
2 student's career and technical or career option program shall  
3 be considered a part of the student's career and technical  
4 or career option program for the purpose of determining the  
5 student's eligibility for a grant. Notwithstanding subsection  
6 3, if a student is making satisfactory academic progress but  
7 the student cannot complete a career and technical or career  
8 option program in the time frame allowed for a student to  
9 receive a career and technical tuition grant as provided  
10 in subsection 3 because additional classes are required to  
11 complete the program, the student may continue to receive  
12 a career and technical tuition grant for not more than one  
13 additional enrollment period.

14 3. *a.* A qualified full-time student may receive career  
15 and technical tuition grants for not more than four semesters  
16 or the equivalent of two full years of study. A qualified  
17 part-time student enrolled in a course of study including at  
18 least three semester hours but fewer than twelve semester hours  
19 or the equivalent may receive career and technical tuition  
20 grants for not more than eight semesters or the equivalent of  
21 two full years of full-time study.

22 *b.* However, if a student resumes study after at least a  
23 two-year absence, the student may again be eligible for the  
24 specified amount of time.

25 4. *a.* The amount of a career and technical tuition grant to  
26 a qualified full-time student shall not exceed the lesser of  
27 one thousand two hundred dollars per year or the amount of the  
28 student's established financial need.

29 *b.* The amount of a career and technical tuition grant to  
30 a qualified part-time student enrolled in a course of study  
31 including at least three semester hours but fewer than twelve  
32 semester hours or the equivalent shall be equal to the amount  
33 of a career and technical tuition grant that would be paid to  
34 a full-time student, except that the department shall prorate  
35 the amount in a manner consistent with the federal Pell grant

1 program proration.

2 5. A career and technical tuition grant shall be awarded  
3 on an annual basis, requiring reapplication by the student  
4 for each year. Payments under the grant shall be allocated  
5 equally among the semesters of the year or the equivalent  
6 upon certification by the institution that the student is in  
7 full-time or part-time attendance in a career and technical or  
8 career option program, as defined under rules adopted by the  
9 state board. If the student discontinues attendance before  
10 the end of any term after receiving payment of the grant, the  
11 entire amount of any refund due that student, up to the amount  
12 of any payments made under the annual grant, shall be paid by  
13 the institution to the state.

14 6. If a student receives financial aid under any other  
15 program, the full amount of that financial aid shall be  
16 considered part of the student's financial resources available  
17 in determining the amount of the student's financial need for  
18 that period.

19 Sec. 26. Section 261.12, Code 2011, is amended by striking  
20 the section and inserting in lieu thereof the following:

21 **261.12 Appropriations — standing limited.**

22 1. There is appropriated from the general fund of the state  
23 to the department for each fiscal year the sum of forty-three  
24 million five hundred thirteen thousand four hundred forty-eight  
25 dollars for tuition grants.

26 2. There is appropriated from the general fund of the state  
27 to the department for each fiscal year the sum of four million  
28 dollars for tuition grants for students attending for-profit  
29 accredited private institutions located in Iowa. A for-profit  
30 accredited institution which, effective March 9, 2005, or  
31 effective January 8, 2010, purchased an accredited private  
32 institution that was exempt from taxation under section 501(c)  
33 of the Internal Revenue Code, shall be an eligible institution  
34 under the tuition grant program.

35 3. There is appropriated from the general fund of the state

1 to the department for each fiscal year the sum of two million  
2 two hundred fifty thousand one hundred eighty-five dollars for  
3 career and technical tuition grants.

4 4. This section shall not be construed to be a limitation  
5 on any of the amounts which may be appropriated by the general  
6 assembly for any program enumerated in this section.

7 5. In the case of a qualified student who was enrolled in an  
8 accredited private institution that was exempt from taxation  
9 under section 501(c) of the Internal Revenue Code and that was  
10 purchased by a for-profit institution effective January 8,  
11 2010, and such qualified student continues to be enrolled in  
12 the eligible institution in succeeding years, the student shall  
13 continue to be eligible to receive funds under subsection 1  
14 without a change in the student's qualification status.

15 Sec. 27. Section 261.18, subsections 3 and 9, Code 2011, are  
16 amended to read as follows:

17 3. A qualified full-time student may receive a barber and  
18 cosmetology arts and sciences tuition grant for not more than  
19 four semesters or the ~~trimester or quarter~~ equivalent of two  
20 full years of study. A qualified part-time student enrolled  
21 in a course of study including at least three semester hours  
22 but fewer than twelve semester hours or the ~~trimester or~~  
23 ~~quarter~~ equivalent may receive barber and cosmetology arts  
24 and sciences tuition grants for not more than eight semesters  
25 or the ~~trimester or quarter~~ equivalent of two full years of  
26 full-time study. However, if a student resumes study after at  
27 least a two-year absence, the student may again be eligible for  
28 the specified amount of time, ~~except that the student shall not~~  
29 ~~receive assistance for courses for which credit was previously~~  
30 ~~received.~~

31 9. For purposes of this section, "*eligible school*" means  
32 a barber school licensed under section 158.7 or a school of  
33 cosmetology arts and sciences licensed under chapter 157. An  
34 eligible school shall be accredited by a national accrediting  
35 agency recognized by the United States department of education

1 and shall meet the ~~criteria~~ requirements in section 261.9  
2 261.1, subsection ~~± 6~~, paragraphs ~~"d"~~ through ~~"g"~~. An eligible  
3 school shall report promptly to the ~~commission~~ department any  
4 information requested.

5 Sec. 28. Section 261.18, subsection 4, paragraph b, Code  
6 2011, is amended to read as follows:

7 b. The amount of a barber and cosmetology arts and sciences  
8 tuition grant to a qualified part-time student enrolled in a  
9 course of study including at least three semester hours but  
10 fewer than twelve semester hours or the trimester or quarter  
11 equivalent shall be equal to the amount of a barber and  
12 cosmetology arts and sciences tuition grant that would be paid  
13 to a full-time student, except that the ~~commission~~ department  
14 shall prorate the amount in a manner consistent with the  
15 federal Pell grant program proration.

16 Sec. 29. Section 261.18, subsections 7 and 8, Code 2011, are  
17 amended by striking the subsections.

18 Sec. 30. Section 261.19, subsections 1, 2, and 3, Code  
19 Supplement 2011, are amended to read as follows:

20 1. A health care professional recruitment program is  
21 established to be administered by the ~~college student aid~~  
22 ~~commission~~ department for Des Moines university. The program  
23 shall consist of a loan repayment program for health care  
24 professionals. The ~~commission~~ department shall regularly  
25 adjust the service requirement under each aspect of the program  
26 to provide, to the extent possible, an equal financial benefit  
27 for each period of service required.

28 2. A health care professional shall be eligible for the  
29 loan repayment program if the health care professional agrees  
30 to practice in an eligible rural community in this state.  
31 Des Moines university shall recruit and place health care  
32 professionals in rural communities which have agreed to provide  
33 additional funds for the recipient's loan repayment. The  
34 contract for the loan repayment shall stipulate the time period  
35 the recipient shall practice in an eligible rural community in

1 this state. In addition, the contract shall stipulate that the  
2 recipient repay any funds paid on the recipient's loan by the  
3 ~~commission~~ department if the recipient fails to practice in an  
4 eligible rural community in this state for the required period  
5 of time.

6 3. A health care professional recruitment revolving fund  
7 is created in the state treasury as a separate fund under  
8 the control of the ~~commission~~ department. The ~~commission~~  
9 department shall deposit ~~payments made by health care~~  
10 ~~professional recruitment program recipients and the proceeds~~  
11 ~~from the sale of osteopathic loans awarded pursuant to~~  
12 ~~section 261.19, subsection 2, paragraph "b", Code 2011, moneys~~  
13 appropriated to or received by the department into the health  
14 care professional recruitment revolving fund. Moneys credited  
15 to the fund shall be used to supplement moneys appropriated  
16 for the health care professional recruitment program, for loan  
17 repayment in accordance with this section, and to pay for  
18 loan or interest repayment defaults by program recipients.  
19 Notwithstanding section 8.33, any balance in the fund on June  
20 30 of any fiscal year shall not revert to the general fund of  
21 the state.

22 Sec. 31. Section 261.19, subsection 5, Code Supplement  
23 2011, is amended by striking the subsection.

24 Sec. 32. Section 261.23, subsections 1, 2, 4, and 5, Code  
25 2011, are amended to read as follows:

26 1. A registered nurse and nurse educator loan forgiveness  
27 program is established to be administered by the ~~commission~~  
28 department. The program shall consist of loan forgiveness  
29 for eligible federally guaranteed loans for registered nurses  
30 and nurse educators who practice or teach in this state.

31 For purposes of this section, unless the context otherwise  
32 requires, "nurse educator" means a registered nurse who holds  
33 a master's degree or doctorate degree and is employed as a  
34 faculty member who teaches nursing ~~as provided in 655 IAC~~  
35 2.6(152) in a nursing education program approved by the board

1 of nursing at a community college, an accredited private  
2 institution, or an institution of higher education governed by  
3 the state board of regents.

4 2. Each applicant for loan forgiveness shall, in accordance  
5 with the rules of the ~~commission~~ state board, do all of the  
6 following:

7 a. Complete and file an application for registered nurse  
8 or nurse educator loan forgiveness. The individual shall  
9 be responsible for the prompt submission of any information  
10 required by the ~~commission~~ department.

11 b. File a new application and submit information as required  
12 by the ~~commission~~ department annually on the basis of which the  
13 applicant's eligibility for the renewed loan forgiveness will  
14 be evaluated and determined.

15 c. Complete and return, on a form approved by the ~~commission~~  
16 department, an affidavit of practice verifying that the  
17 applicant is a registered nurse practicing in this state or a  
18 nurse educator teaching at ~~a community college, an accredited~~  
19 private eligible institution, ~~or an institution of higher~~  
20 ~~learning governed by the state board of regents.~~

21 4. A registered nurse and nurse educator loan forgiveness  
22 repayment fund is created for deposit of moneys appropriated  
23 to or received by the ~~commission~~ department for use under the  
24 program. Notwithstanding section 8.33, moneys deposited in the  
25 fund shall not revert to any fund of the state at the end of any  
26 fiscal year but shall remain in the loan forgiveness repayment  
27 fund and be continuously available for loan forgiveness under  
28 the program. Notwithstanding section 12C.7, subsection 2,  
29 interest or earnings on moneys deposited in the fund shall be  
30 credited to the fund.

31 5. The ~~commission~~ department shall submit in a report to  
32 the general assembly by January 1, annually, the number of  
33 individuals who received loan forgiveness pursuant to this  
34 section, where the participants practiced or taught, the  
35 amount paid to each program participant, and other information

1 identified by the ~~commission~~ department as indicators of  
2 outcomes from the program.

3 Sec. 33. Section 261.23, subsection 6, Code 2011, is amended  
4 by striking the subsection.

5 Sec. 34. Section 261.71, subsection 1, unnumbered paragraph  
6 1, Code 2011, is amended to read as follows:

7 A chiropractic graduate student forgivable loan program  
8 is established, to be administered by the ~~college student~~  
9 ~~aid commission~~ department for resident graduate students who  
10 are enrolled at Iowa chiropractic colleges and universities.  
11 A resident graduate student attending an Iowa chiropractic  
12 college or university is eligible for loan forgiveness  
13 under the program if the student meets all of the following  
14 conditions:

15 Sec. 35. Section 261.71, subsection 1, paragraphs c and d,  
16 Code 2011, are amended to read as follows:

17 *c.* The student agrees to practice in an underserved area in  
18 the state of Iowa for a period of time to be determined by the  
19 ~~commission~~ department at the time the loan is awarded.

20 *d.* The student has received a loan from moneys appropriated  
21 to the ~~college student aid commission~~ department for this  
22 program.

23 Sec. 36. Section 261.71, subsections 2 and 3, Code 2011, are  
24 amended to read as follows:

25 2. The contract for the loan repayment shall stipulate  
26 the time period the chiropractor shall practice in an  
27 underserved area in this state. In addition, the contract  
28 shall stipulate that the chiropractor repay any funds paid  
29 on the chiropractor's loan by the ~~commission~~ department if  
30 the chiropractor fails to practice in an underserved area in  
31 this state for the required period of time. Forgivable loans  
32 made to eligible students shall not become due, for repayment  
33 purposes, until one year after the student has graduated. A  
34 loan that has not been forgiven may be sold to a bank, savings  
35 and loan association, credit union, or nonprofit agency

1 eligible to participate in the guaranteed student loan program  
2 under the federal Higher Education Act of 1965, 20 U.S.C.  
3 § 1071 et seq., by the ~~commission~~ department when the loan  
4 becomes due for repayment.

5 3. For purposes of this section "*graduate student*" means  
6 a student who has completed at least ninety semester hours,  
7 or the trimester or quarter equivalent, of postsecondary  
8 course work at a public higher education institution or at an  
9 accredited private institution, ~~as defined under section 261.9.~~  
10 "*Underserved area*" means a geographical area included on the  
11 Iowa governor's health practitioner shortage area list, which  
12 is compiled by the center for rural health and primary care of  
13 the Iowa department of public health. ~~The commission shall~~  
14 ~~adopt rules, consistent with rules used for students enrolled~~  
15 ~~in higher education institutions under the control of the state~~  
16 ~~board of regents, for purposes of determining Iowa residency~~  
17 ~~status of graduate students under this section. The commission~~  
18 ~~shall also adopt rules which provide standards, guidelines, and~~  
19 ~~procedures for the receipt, processing, and administration of~~  
20 ~~student applications and loans under this section.~~

21 Sec. 37. Section 261.72, Code Supplement 2011, is amended  
22 to read as follows:

23 **261.72 Chiropractic loan revolving fund.**

24 A chiropractic loan revolving fund is created in the  
25 state treasury as a separate fund under the control of the  
26 ~~commission~~ department. ~~The commission~~ department shall  
27 deposit payments made by chiropractic loan recipients and  
28 the proceeds from the sale of chiropractic loans, less costs  
29 of collection of delinquent chiropractic loans, into the  
30 chiropractic loan revolving fund. Moneys credited to the  
31 fund shall be used to supplement moneys appropriated for the  
32 chiropractic graduate student forgivable loan program, for loan  
33 forgiveness to eligible chiropractic physicians, and to pay for  
34 loan or interest repayment defaults by eligible chiropractic  
35 physicians. Notwithstanding section 8.33, any balance in the

1 fund on June 30 of any fiscal year shall not revert to the  
2 general fund of the state.

3 Sec. 38. Section 261.73, subsections 1, 2, and 4, Code 2011,  
4 are amended to read as follows:

5 1. A chiropractic loan forgiveness program is established  
6 to be administered by the ~~commission~~ department. A  
7 chiropractor is eligible for the program if the chiropractor is  
8 a resident of this state, is licensed to practice under chapter  
9 151, and is engaged in the practice of chiropractic in this  
10 state.

11 2. Each applicant for loan forgiveness shall, in accordance  
12 with the rules of the ~~commission~~ state board, do all of the  
13 following:

14 a. Complete and file an application for chiropractic loan  
15 forgiveness. The individual shall be responsible for the  
16 prompt submission of any information required by the ~~commission~~  
17 department.

18 b. File a new application and submit information as required  
19 by the ~~commission~~ department annually on the basis of which the  
20 applicant's eligibility for the renewed loan forgiveness will  
21 be evaluated and determined.

22 c. Complete and return on a form approved by the ~~commission~~  
23 department an affidavit of practice verifying that the  
24 applicant meets the eligibility requirements of subsection 1.

25 4. A chiropractic loan forgiveness repayment fund is  
26 created for deposit of moneys appropriated to or received  
27 by the ~~commission~~ department for use under the program.  
28 Notwithstanding section 8.33, moneys deposited in the fund  
29 shall not revert to any fund of the state at the end of  
30 any fiscal year but shall remain in the chiropractic loan  
31 forgiveness repayment fund and be continuously available for  
32 loan forgiveness under the program. Notwithstanding section  
33 12C.7, subsection 2, interest or earnings on moneys deposited  
34 in the fund shall be credited to the fund.

35 Sec. 39. Section 261.73, subsection 5, Code 2011, is amended

1 by striking the subsection.

2 Sec. 40. Section 261.81, Code 2011, is amended to read as  
3 follows:

4 **261.81 Work-study program.**

5 The Iowa college work-study program is established to  
6 stimulate and promote the part-time employment of students  
7 attending ~~Iowa postsecondary educational institutions~~ an  
8 eligible institution, and the part-time or full-time summer  
9 employment of students registered for classes at ~~Iowa~~  
10 ~~postsecondary institutions~~ an eligible institution during the  
11 succeeding school year, who are in need of employment earnings  
12 in order to pursue postsecondary education. The program shall  
13 be administered by the ~~commission~~ department. ~~The commission~~  
14 ~~shall adopt rules under chapter 17A to carry out the program.~~  
15 The employment under the program shall be employment by the  
16 postsecondary education institution itself or work in a public  
17 agency or private nonprofit organization under a contract  
18 between the institution or the ~~commission~~ department and the  
19 agency or organization. The work shall not result in the  
20 displacement of employed workers or impair or affect existing  
21 contracts for services. Moneys used by an institution for the  
22 work-study program shall supplement and not supplant jobs and  
23 existing financial aid programs provided for students through  
24 the institution.

25 Sec. 41. Section 261.82, unnumbered paragraph 1, Code 2011,  
26 is amended to read as follows:

27 The ~~college student aid commission~~ department shall do all  
28 of the following:

29 Sec. 42. Section 261.82, subsection 2, Code 2011, is amended  
30 to read as follows:

31 2. Allocate funds to participating postsecondary education  
32 institutions if funds are available to the ~~commission~~  
33 department for that purpose.

34 Sec. 43. Section 261.82, subsections 3 and 5, Code 2011, are  
35 amended by striking the subsections.

1 Sec. 44. Section 261.83, subsection 1, Code 2011, is amended  
2 to read as follows:

3 1. An eligible postsecondary education institution is  
4 an institution of higher education under the state board  
5 of regents, a community college, or an accredited private  
6 institution ~~as defined in section 261.9, subsection 1.~~ The  
7 commission department may enter into an agreement with an  
8 eligible postsecondary education institution under which the  
9 commission department will make grants to the institution for  
10 the work-study program.

11 Sec. 45. Section 261.83, subsection 2, paragraphs a and c,  
12 Code 2011, are amended to read as follows:

13 a. File the proper forms with the commission department for  
14 participation in the program.

15 c. Supervise and evaluate employment and maintain the  
16 records required by the commission department.

17 Sec. 46. Section 261.85, Code Supplement 2011, is amended  
18 to read as follows:

19 **261.85 Appropriation.**

20 1. There is appropriated from the general fund of the state  
21 to the commission department for each fiscal year the sum  
22 of two million seven hundred fifty thousand dollars for the  
23 work-study program.

24 2. From moneys appropriated in this section, one  
25 million five hundred thousand dollars shall be allocated to  
26 institutions of higher education under the state board of  
27 regents and community colleges and the remaining dollars  
28 appropriated in this section shall be allocated by the  
29 commission department on the basis of need as determined by the  
30 ~~portion of the federal formula for distribution of work-study~~  
31 ~~funds that relates to the current need of institutions~~  
32 department.

33 Sec. 47. Section 261.86, subsection 1, unnumbered paragraph  
34 1, Code Supplement 2011, is amended to read as follows:

35 A national guard educational assistance program is

1 established to be administered by the ~~college student aid~~  
2 ~~commission~~ department for members of the Iowa national guard  
3 who are enrolled as undergraduate students in a ~~community~~  
4 ~~college, an institution of higher learning under the state~~  
5 ~~board of regents, or an accredited private institution~~ eligible  
6 institutions. ~~The college student aid commission shall adopt~~  
7 ~~rules pursuant to chapter 17A to administer this section.~~ An  
8 individual is eligible for the national guard educational  
9 assistance program if the individual meets all of the following  
10 conditions:

11 Sec. 48. Section 261.86, subsection 1, paragraph d, Code  
12 Supplement 2011, is amended to read as follows:

13 ~~d. Is enrolled as an undergraduate student in a community~~  
14 ~~college as defined in section 260C.2, an institution of higher~~  
15 ~~learning under the control of the board of regents, or an~~  
16 ~~accredited private institution as defined in section 261.9, and~~  
17 ~~is~~ maintaining satisfactory academic progress.

18 Sec. 49. Section 261.86, subsections 2 and 4, Code  
19 Supplement 2011, are amended to read as follows:

20 2. Educational assistance paid pursuant to this section  
21 shall not exceed the resident tuition and fee rate established  
22 for institutions of higher learning under the control of the  
23 state board of regents. If the amount appropriated in a fiscal  
24 year for purposes of this section is insufficient to provide  
25 educational assistance to all national guard members who apply  
26 for the program and who are determined by the adjutant general  
27 to be eligible for the program, the adjutant general shall,  
28 in coordination with the ~~commission~~ department, determine the  
29 distribution of educational assistance. However, educational  
30 assistance paid pursuant to this section shall not be less than  
31 fifty percent of the resident tuition and fee rate established  
32 for institutions of higher learning under the control of the  
33 state board of regents or fifty percent of the tuition and fee  
34 rate at the institution attended by the national guard member,  
35 whichever is lower. Neither eligibility nor educational

1 assistance determinations shall be based upon a national guard  
2 member's unit, the location at which drills are attended, or  
3 whether the eligible individual is a member of the Iowa army  
4 or air national guard.

5 4. The eligibility of applicants and amounts of educational  
6 assistance to be paid shall be certified by the adjutant  
7 general of Iowa to the ~~college student aid commission~~  
8 department, and all amounts that are or become due to a  
9 community college, accredited private institution, or  
10 institution of higher learning under the control of the state  
11 board of regents under this section shall be paid to the  
12 college or institution by the ~~college student aid commission~~  
13 department upon receipt of certification by the president or  
14 governing board of the educational eligible institution as  
15 to accuracy of charges made, and as to the attendance and  
16 academic progress of the individual at the educational eligible  
17 institution. The ~~college student aid commission~~ department  
18 shall maintain an annual record of the number of participants  
19 and the dollar value of the educational assistance provided.

20 Sec. 50. Section 261.87, subsections 1, 4, and 5, Code  
21 Supplement 2011, are amended to read as follows:

22 1. ~~Definitions.~~ As used in this division, unless the  
23 context otherwise requires:

24 a. ~~"Commission" means the college student aid commission.~~

25 b. ~~"Eligible~~ "eligible institution" means a community  
26 college established under chapter 260C or an institution of  
27 higher learning governed by the state board of regents.

28 c. ~~"Financial need" means the difference between the~~  
29 ~~student's financial resources available, including those~~  
30 ~~available from the student's parents as determined by a~~  
31 ~~completed parents' confidential statement, and the student's~~  
32 ~~anticipated expenses while attending an eligible institution.~~

33 d. ~~"Full-time resident student" means an individual resident~~  
34 ~~of Iowa who is enrolled at an eligible institution in a program~~  
35 ~~of study including at least twelve semester hours or the~~

1 ~~trimester or quarter equivalent.~~

2 ~~e. "Part-time resident student" means an individual resident~~  
3 ~~of Iowa who is enrolled at an eligible institution in a~~  
4 ~~program of study including at least three semester hours or the~~  
5 ~~trimester or quarter equivalent.~~

6 ~~f. "Qualified student" means a resident student who has~~  
7 ~~established financial need and who is meeting all program~~  
8 ~~requirements.~~

9 4. *Discontinuance of attendance — remittance.* If a student  
10 receiving a scholarship pursuant to this section discontinues  
11 attendance before the end of any academic term, the entire  
12 amount of any refund due to the student, up to the amount of any  
13 payments made by the state, shall be remitted by the eligible  
14 institution to the ~~commission~~ department. The ~~commission~~  
15 department shall deposit refunds paid to the ~~commission~~  
16 department in accordance with this subsection into the fund  
17 established pursuant to subsection 5.

18 5. *Fund established.* An all Iowa opportunity scholarship  
19 fund is created in the state treasury as a separate fund under  
20 the control of the ~~commission~~ department. All moneys deposited  
21 or paid into the fund are appropriated and made available  
22 to the ~~commission~~ department to be used for scholarships  
23 for students meeting the requirements of this section.  
24 Notwithstanding section 8.33, any balance in the fund on June  
25 30 of each fiscal year shall not revert to the general fund of  
26 the state, but shall be available for purposes of this section  
27 in subsequent fiscal years.

28 Sec. 51. Section 261.87, subsection 2, unnumbered paragraph  
29 1, Code Supplement 2011, is amended to read as follows:

30 An all Iowa opportunity scholarship program is established  
31 to be administered by the ~~commission~~ department. The awarding  
32 of scholarships under the program is subject to appropriations  
33 made by the general assembly. A person who meets all of the  
34 following requirements is eligible for the program:

35 Sec. 52. Section 261.87, subsection 2, paragraph g, Code

1 Supplement 2011, is amended to read as follows:

2 *g.* Begins enrollment at an eligible institution within two  
3 academic years of graduation from high school and continuously  
4 receives awards as a full-time or part-time student to maintain  
5 eligibility. However, the student may defer participation in  
6 the program for up to two years in order to pursue obligations  
7 that meet conditions established by the ~~commission~~ state board  
8 by rule or to fulfill military obligations.

9 Sec. 53. Section 261.87, subsection 3, paragraph c, Code  
10 Supplement 2011, is amended to read as follows:

11 *c.* Scholarships awarded pursuant to this section shall  
12 not exceed the student's financial need, as determined by the  
13 ~~commission~~ department, the average resident tuition rate and  
14 mandatory fees established for institutions of higher learning  
15 governed by the state board of regents, or the resident tuition  
16 and mandatory fees charged for the program of enrollment by  
17 the eligible institution at which the student is enrolled,  
18 whichever is least.

19 Sec. 54. NEW SECTION. 261.88 All Iowa opportunity foster  
20 care grant program.

21 1. The department shall develop and implement, in  
22 cooperation with the department of human services and the  
23 judicial branch, the all Iowa opportunity foster care grant  
24 program in accordance with this section.

25 2. The program shall provide financial assistance for  
26 postsecondary education or training to a person who has a high  
27 school diploma or a high school equivalency diploma under  
28 chapter 259A and is described by any of the following:

29 *a.* Is age seventeen and is in a court-ordered placement  
30 under chapter 232 under the care and custody of the department  
31 of human services or juvenile court services.

32 *b.* Is age seventeen and has been placed in the state  
33 training school or the Iowa juvenile home pursuant to a court  
34 order entered under chapter 232 under the care and custody of  
35 the department of human services.

1 c. Is age eighteen through twenty-three and is described by  
2 any of the following:

3 (1) On the date the person reached age eighteen or during  
4 the thirty calendar days preceding or succeeding that date,  
5 the person was in a licensed foster care placement pursuant  
6 to a court order entered under chapter 232 under the care and  
7 custody of the department of human services or juvenile court  
8 services.

9 (2) On the date the person reached age eighteen or during  
10 the thirty calendar days preceding or succeeding that date, the  
11 person was under a court order under chapter 232 to live with a  
12 relative or other suitable person.

13 (3) The person was in a licensed foster care placement  
14 pursuant to an order entered under chapter 232 prior to being  
15 legally adopted after reaching age sixteen.

16 (4) On the date the person reached age eighteen or during  
17 the thirty calendar days preceding or succeeding that date,  
18 the person was placed in the state training school or the Iowa  
19 juvenile home pursuant to a court order entered under chapter  
20 232 under the care and custody of the department of human  
21 services.

22 3. The program requirements shall include but are not  
23 limited to all of the following:

24 a. Program assistance shall cover a program participant's  
25 expenses associated with attending an approved postsecondary  
26 education or training program in this state. The expenses  
27 shall include tuition and fees, books and supplies, child  
28 care, transportation, housing, and other expenses approved by  
29 the department. If a participant is attending on less than a  
30 full-time basis, assistance provisions shall be designed to  
31 cover tuition and fees and books and supplies, and assistance  
32 for other expenses shall be prorated to reflect the hours  
33 enrolled.

34 b. If the approved education or training program is more  
35 than one year in length, the program assistance may be renewed.

1 To renew the assistance, the participant must annually reapply  
2 for the program and meet the academic progress standards of  
3 the eligible institution or make satisfactory progress toward  
4 completion of the training program.

5 c. A person shall be less than age twenty-three upon both  
6 the date of the person's initial application for the program  
7 and the start date of the education or training program for  
8 which the assistance is provided. Eligibility for program  
9 assistance shall end upon the participant reaching age  
10 twenty-four.

11 d. Assistance under the program shall not be provided for  
12 expenses that are paid for by other programs for which funding  
13 is available to assist the participant.

14 e. The department shall implement assistance provisions in  
15 a manner to ensure that the total amount of assistance provided  
16 under the program remains within the funding available for the  
17 program.

18 Sec. 55. Section 261.93, Code 2011, is amended to read as  
19 follows:

20 **261.93 Program established — who qualified.**

21 1. An Iowa grant program is established to be administered  
22 by the department.

23 2. A grant may be awarded to a resident of Iowa who is  
24 admitted and in attendance as a full-time or part-time resident  
25 student at ~~an accredited higher education~~ a community college  
26 or an institution of higher education governed by the state  
27 board of regents, and who establishes financial need. Grants  
28 awarded shall be distributed to the appropriate ~~accredited~~  
29 ~~higher education~~ community college or institution of higher  
30 education for payment of educational expenses, including  
31 tuition, room, board, and mandatory fees, with any balance to  
32 be distributed to the student for whom the grant is awarded.

33 Sec. 56. Section 261.93A, Code 2011, is amended to read as  
34 follows:

35 **261.93A Appropriation — percentages.**

1 Of the funds appropriated to the ~~college student aid~~  
2 ~~commission~~ department to be allocated for the Iowa grant  
3 program for each fiscal year, thirty-seven and six-tenths  
4 percent shall be reserved for students attending regents  
5 institutions, twenty-five and nine-tenths percent shall  
6 be reserved for students attending community colleges, and  
7 thirty-six and five-tenths percent shall be reserved for  
8 students attending private colleges and universities. Funds  
9 appropriated for the Iowa grant program shall be used to  
10 supplement, not supplant, funds appropriated for other existing  
11 programs at the eligible institutions.

12 Sec. 57. Section 261.111, subsections 1, 3, 4, 6 through 9,  
13 Code 2011, are amended to read as follows:

14 1. A teacher shortage forgivable loan program is  
15 established to be administered by the ~~college student aid~~  
16 ~~commission~~ department. An individual is eligible for the  
17 forgivable loan program if the individual is a resident of  
18 this state who is enrolled as a sophomore, junior, senior,  
19 or graduate student in an approved practitioner preparation  
20 program in a designated area in which teacher shortages are  
21 anticipated at an institution of higher learning under the  
22 control of the state board of regents or an accredited private  
23 institution ~~as defined in section 261.9.~~

24 3. Each applicant shall, in accordance with the rules of the  
25 ~~commission~~ department, do all of the following:

26 a. Complete and file an application for a teacher shortage  
27 forgivable loan. The individual shall be responsible for the  
28 prompt submission of any information required by the ~~commission~~  
29 department.

30 b. File a new application and submit information as required  
31 by the ~~commission~~ department annually on the basis of which the  
32 applicant's eligibility for the renewed forgivable loan will be  
33 evaluated and determined.

34 4. Forgivable loans to eligible students shall not become  
35 due until after the student graduates or leaves school. The

1 individual's total loan amount, including principal and  
2 interest, shall be reduced by twenty percent for each year in  
3 which the individual remains an Iowa resident and is employed  
4 in Iowa by a school district or an accredited nonpublic school  
5 as a practitioner in the teacher shortage area for which the  
6 loan was approved. If the ~~commission~~ department determines  
7 that the person does not meet the criteria for forgiveness of  
8 the principal and interest payments, the ~~commission~~ department  
9 shall establish a plan for repayment of the principal and  
10 interest over a ten-year period. If a person required to  
11 make the repayment does not make the required payments, the  
12 ~~commission~~ department shall provide for payment collection.

13 ~~6. The commission shall prescribe by rule the interest rate~~  
14 ~~for the forgivable loan.~~

15 ~~7.~~ 6. A teacher shortage forgivable loan repayment  
16 fund is created for deposit of payments made by forgivable  
17 loan recipients who do not fulfill the conditions of the  
18 forgivable loan program and any other moneys appropriated to  
19 or received by the ~~commission~~ department for deposit in the  
20 fund. Notwithstanding section 8.33, moneys deposited in the  
21 fund shall not revert to the general fund of the state at the  
22 end of any fiscal year but shall remain in the forgivable loan  
23 repayment fund and be continuously available to make additional  
24 loans under the program. Notwithstanding section 12C.7,  
25 subsection 2, interest or earnings on moneys deposited in the  
26 fund shall be credited to the fund.

27 ~~8.~~ 7. For purposes of this section, unless the context  
28 otherwise requires, "teacher" means the same as defined in  
29 section 272.1.

30 ~~9.~~ 8. The ~~commission~~ department shall submit in a report  
31 to the general assembly by January 1, annually, the number  
32 of students who received forgivable loans pursuant to this  
33 section, which institutions the students were enrolled in, and  
34 the amount paid to each of the institutions on behalf of the  
35 students who received forgivable loans pursuant to this section

1 and the total amount of loans outstanding, including a schedule  
2 of years remaining on the outstanding loans.

3 Sec. 58. Section 261.112, subsections 1, 3, 5, and 6, Code  
4 Supplement 2011, are amended to read as follows:

5 1. A teacher shortage loan forgiveness program is  
6 established to be administered by the ~~commission~~ department.  
7 A teacher is eligible for the program if the teacher is  
8 practicing in a teacher shortage area as designated by the  
9 department ~~of education~~ pursuant to subsection 2. For purposes  
10 of this section, "teacher" means an individual holding a  
11 practitioner's license issued under chapter 272, who is  
12 employed in a nonadministrative position in a designated  
13 shortage area by a school district or area education agency  
14 pursuant to a contract issued by a board of directors under  
15 section 279.13.

16 3. Each applicant for loan forgiveness shall, in accordance  
17 with the rules of the ~~commission~~ state board, do all of the  
18 following:

19 a. Complete and file an application for teacher shortage  
20 loan forgiveness. The individual shall be responsible for the  
21 prompt submission of any information required by the ~~commission~~  
22 department.

23 b. File a new application and submit information as required  
24 by the ~~commission~~ department annually on the basis of which the  
25 applicant's eligibility for the renewed loan forgiveness will  
26 be evaluated and determined.

27 c. Complete and return on a form approved by the ~~commission~~  
28 department an affidavit of practice verifying that the  
29 applicant is a teacher in an eligible teacher shortage area.

30 5. A teacher shortage loan forgiveness repayment fund  
31 is created for deposit of moneys appropriated to or received  
32 by the ~~commission~~ department for use under the program.  
33 Notwithstanding section 8.33, moneys deposited in the fund  
34 shall not revert to any fund of the state at the end of any  
35 fiscal year but shall remain in the loan forgiveness repayment

1 fund and be continuously available for loan forgiveness under  
2 the program. Notwithstanding section 12C.7, subsection 2,  
3 interest or earnings on moneys deposited in the fund shall be  
4 credited to the fund.

5 6. The ~~commission~~ department shall submit in a report to  
6 the general assembly by January 1, annually, the number of  
7 individuals who received loan forgiveness pursuant to this  
8 section, which shortage areas the teachers taught in, the  
9 amount paid to each program participant, and other information  
10 identified by the ~~commission~~ department as indicators of  
11 outcomes from the program.

12 Sec. 59. Section 261.112, subsection 7, Code Supplement  
13 2011, is amended by striking the subsection.

14 Sec. 60. Section 261.128, subsections 1 and 2, Code 2011,  
15 are amended to read as follows:

16 1. The ~~commission~~ department shall establish a health  
17 care professional incentive payment program to recruit and  
18 retain health care professionals in this state. Funding for  
19 the program may be provided through the health care workforce  
20 shortage fund or the health care professional and Iowa needs  
21 nurses now initiative account created in section 135.175.

22 2. The ~~commission~~ department shall administer the incentive  
23 payment program with the assistance of Des Moines university  
24 — osteopathic medical center.

25 Sec. 61. Section 261.128, subsection 3, unnumbered  
26 paragraph 1, Code 2011, is amended to read as follows:

27 The ~~commission~~ state board, with the assistance of Des  
28 Moines university — osteopathic medical center, shall adopt  
29 rules pursuant to chapter 17A relating to the establishment  
30 and administration of the health care professional incentive  
31 payment program. The rules adopted shall address all of the  
32 following:

33 Sec. 62. Section 261.128, subsection 3, paragraph b, Code  
34 2011, is amended to read as follows:

35 *b.* The process for awarding incentive payments.

1 The ~~commission~~ department of education shall receive  
2 recommendations from the department of public health regarding  
3 selection of incentive payment recipients. The process  
4 shall require each recipient to enter into an agreement with  
5 the ~~commission~~ department of education that specifies the  
6 obligations of the recipient and the ~~commission~~ department  
7 prior to receiving the incentive payment.

8 Sec. 63. Section 261.129, subsection 1, paragraphs a, c, and  
9 d, Code 2011, are amended to read as follows:

10 a. The ~~commission~~ department shall establish a nurse  
11 educator incentive payment program. Funding for the program  
12 may be provided through the health care workforce shortage  
13 fund or the health care professional and Iowa needs nurses  
14 now initiative account created in section 135.175. For the  
15 purposes of this subsection, "nurse educator" means a registered  
16 nurse who holds a master's degree or doctorate degree and is  
17 employed as a faculty member who teaches nursing in a nursing  
18 education program ~~as provided in 655 IAC 2.6~~ approved by the  
19 board of nursing at a community college, an accredited private  
20 institution, or an institution of higher education governed by  
21 the state board of regents.

22 c. The nurse educator and the ~~commission~~ department shall  
23 enter into an agreement specifying the obligations of the nurse  
24 educator and the ~~commission~~ department. If the nurse educator  
25 leaves the qualifying teaching position prior to teaching for  
26 four consecutive academic years, the nurse educator shall be  
27 liable to repay the incentive payment amount to the state, plus  
28 interest as specified by rule. However, if the nurse educator  
29 leaves the qualifying teaching position involuntarily, the  
30 nurse educator shall be liable to repay only a pro rata amount  
31 of the incentive payment based on incompleting years of service.

32 d. The ~~commission~~ state board, in consultation with  
33 the department of public health, the board of nursing, ~~the~~  
34 ~~department of education~~, and the Iowa nurses association,  
35 shall adopt rules pursuant to chapter 17A relating to the

1 establishment and administration of the nurse educator  
2 incentive payment program. The rules shall include provisions  
3 specifying what constitutes a qualifying teaching position.

4 Sec. 64. Section 261.129, subsection 2, paragraphs a, b, and  
5 c, Code 2011, are amended to read as follows:

6 a. The ~~commission~~ department shall establish a nursing  
7 faculty fellowship program to provide funds to nursing schools  
8 in the state, including but not limited to nursing schools  
9 located at community colleges, for fellowships for individuals  
10 employed in qualifying positions on the nursing faculty.  
11 Funding for the program may be provided through the health care  
12 workforce shortage fund or the health care professional and the  
13 Iowa needs nurses now initiative account created in section  
14 135.175. The program shall be designed to assist nursing  
15 schools in filling vacancies in qualifying positions throughout  
16 the state.

17 b. The ~~commission~~ department, in consultation with the  
18 department of public health, the board of nursing, ~~the~~  
19 ~~department of education~~, and the Iowa nurses association, and  
20 in cooperation with nursing schools throughout the state, shall  
21 develop a distribution formula which shall provide that no more  
22 than thirty percent of the available moneys are awarded to a  
23 single nursing school. Additionally, the program shall limit  
24 funding for a qualifying position in a nursing school to no  
25 more than ten thousand dollars per year for up to three years.

26 c. The ~~commission~~ state board, in consultation with  
27 the department of public health, the board of nursing, ~~the~~  
28 ~~department of education~~, and the Iowa nurses association, shall  
29 adopt rules pursuant to chapter 17A to administer the program.  
30 The rules shall include provisions specifying what constitutes  
31 a qualifying position at a nursing school.

32 Sec. 65. Section 261.129, subsection 2, paragraph d,  
33 unnumbered paragraph 1, Code 2011, is amended to read as  
34 follows:

35 In determining eligibility for a fellowship, the ~~commission~~

1 department shall consider all of the following:

2 Sec. 66. Section 261.129, subsection 3, paragraphs a and c,  
3 Code 2011, are amended to read as follows:

4 a. The ~~commission~~ department shall establish a nurse  
5 educator scholarship program. Funding for the program may  
6 be provided through the health care workforce shortage fund  
7 or the health care professional and the Iowa needs nurses  
8 now initiative account created in section 135.175. The goal  
9 of the nurse educator scholarship program is to address the  
10 waiting list of qualified applicants to Iowa's nursing schools  
11 by providing incentives for the training of additional nursing  
12 educators. For the purposes of this subsection, "nurse  
13 educator" means a registered nurse who holds a master's degree  
14 or doctorate degree and is employed as a faculty member who  
15 teaches nursing in a nursing education program ~~as provided in~~  
16 ~~655 IAC 2.6~~ approved by the board of nursing at a community  
17 college, an accredited private institution, or an institution  
18 of higher education governed by the state board of regents.

19 c. The ~~commission~~ state board, in consultation with  
20 the department of public health, the board of nursing, ~~the~~  
21 ~~department of education~~, and the Iowa nurses association,  
22 shall adopt rules pursuant to chapter 17A relating to the  
23 establishment and administration of the nurse educator  
24 scholarship program. The rules shall include provisions  
25 specifying what constitutes a qualifying teaching position and  
26 the amount of any scholarship.

27 Sec. 67. Section 261.129, subsection 4, paragraphs a, c, and  
28 e, Code 2011, are amended to read as follows:

29 a. The ~~commission~~ department shall establish a nurse  
30 educator scholarship-in-exchange-for-service program.  
31 Funding for the program may be provided through the  
32 health care workforce shortage fund or the health care  
33 professional and Iowa needs nurses now initiative account  
34 created in section 135.175. The goal of the nurse educator  
35 scholarship-in-exchange-for-service program is to address

1 the waiting list of qualified applicants to Iowa's nursing  
2 schools by providing incentives for the education of additional  
3 nursing educators. For the purposes of this subsection, "nurse  
4 educator" means a registered nurse who holds a master's degree  
5 or doctorate degree and is employed as a faculty member who  
6 teaches nursing in a nursing education program ~~as provided in~~  
7 ~~655-IAC-2.6~~ approved by the board of nursing at a community  
8 college, an accredited private institution, or an institution  
9 of higher education governed by the state board of regents.

10 c. The scholarship-in-exchange-for-service recipient  
11 and the ~~commission~~ department shall enter into an agreement  
12 specifying the obligations of the applicant and the ~~commission~~  
13 department. If the nurse educator leaves the qualifying  
14 teaching position prior to teaching for four consecutive  
15 academic years, the nurse educator shall be liable to repay the  
16 scholarship-in-exchange-for-service amount to the state plus  
17 interest as specified by rule. However, if the nurse educator  
18 leaves the qualified teaching position involuntarily, the nurse  
19 educator shall be liable to repay only a pro rata amount of the  
20 scholarship based on incomplete years of service.

21 e. The ~~commission~~ state board, in consultation with  
22 the department of public health, the board of nursing, ~~the~~  
23 ~~department of education~~, and the Iowa nurses association,  
24 shall adopt rules pursuant to chapter 17A relating to the  
25 establishment and administration of the nurse educator  
26 scholarship-in-exchange-for-service program. The rules  
27 shall include the provisions specifying what constitutes  
28 a qualifying teaching position and the amount of any  
29 scholarship-in-exchange-for-service.

30 Sec. 68. Section 261A.5, Code 2011, is amended to read as  
31 follows:

32 **261A.5 Creation as public instrumentality.**

33 The Iowa higher education loan authority is created as  
34 a body politic and corporate. The authority is a public  
35 instrumentality and the exercise by the authority of the

1 powers conferred by this chapter is the performance of an  
2 essential public function. The authority is attached to the  
3 ~~college student aid commission~~ department of education for  
4 administrative purposes.

5 Sec. 69. Section 261D.3, subsection 2, paragraph e, Code  
6 2011, is amended to read as follows:

7 e. One alternate member appointed by the ~~Iowa college~~  
8 ~~student aid commission~~ director of the department of education.

9 Sec. 70. Section 261E.2, subsection 4, Code 2011, is amended  
10 to read as follows:

11 4. "*Eligible postsecondary institution*" means an institution  
12 of higher learning under the control of the state board of  
13 regents, a community college established under chapter 260C, or  
14 an accredited private institution as defined in section ~~261.9~~  
15 261.1.

16 Sec. 71. Section 261F.2, subsection 1, paragraph a, Code  
17 2011, is amended to read as follows:

18 a. Develop, in consultation with the ~~college student~~  
19 ~~aid commission~~ department of education, a code of conduct  
20 governing educational loan activities with which the covered  
21 institution's officers, employees, and agents shall comply.

22 Sec. 72. Section 261F.2, subsections 2 and 3, Code 2011, are  
23 amended to read as follows:

24 2. The ~~college student aid commission~~ department of  
25 education shall provide to covered institutions assistance  
26 and guidance relating to the development, administration, and  
27 monitoring of a code of conduct governing educational loan  
28 activities.

29 3. Except as provided in this section, the ~~college student~~  
30 ~~aid commission~~ department of education is not subject to the  
31 duties, restrictions, prohibitions, and penalties of this  
32 chapter.

33 Sec. 73. NEW SECTION. **262.83** **Minority academic grants for**  
34 **economic success.**

35 1. The general assembly finds that the failure of many young

1 Iowans to complete their education limits their opportunity  
2 for a life of fulfillment and hinders the state's efforts to  
3 provide a well-trained workforce for business and industry  
4 in Iowa. The general assembly also declares that it is the  
5 policy of this state to apply positive measures to ensure  
6 that equal opportunities exist for minority persons to  
7 pursue their educational goals. Therefore, the Iowa minority  
8 academic grants for economic success program is established  
9 to be administered by the state board of regents to provide  
10 additional funding to the state board of regents institutions,  
11 community colleges, and accredited private institutions in  
12 order to encourage resident minority students to remain in  
13 Iowa, to attend community colleges, private colleges, and  
14 universities in Iowa, and to assure that a limited family  
15 income will not be a barrier for a minority person to pursue a  
16 postsecondary education.

17 2. As used in this section, unless the context otherwise  
18 requires:

19 a. *"Accredited private institution"* means an accredited  
20 private institution as defined in section 261.1.

21 b. *"Financial need"* means the difference between the  
22 student's financial resources, including resources available  
23 from the student's parents and the student, as determined  
24 by a completed parents' financial statement and including  
25 any noncampus-administered federal or state grants and  
26 scholarships, and the student's estimated expenses while  
27 attending the institution. A student shall accept all  
28 available federal and state grants and scholarships before  
29 being considered eligible for grants under the Iowa minority  
30 academic grants for economic success program. Financial need  
31 shall be reconsidered on at least an annual basis.

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

1     *d. "Minority person"* means an individual who is African  
2 American, Hispanic, Asian, or a Pacific Islander, an American  
3 Indian, or an Alaskan Native American.

4     *e. "Part-time student"* means an individual who is enrolled  
5 at an accredited private institution, community college, or  
6 board of regents university in a course of study including  
7 at least three semester hours or the trimester or quarter  
8 equivalent of three semester hours.

9     *f. "Program"* means the Iowa minority academic grants for  
10 economic success program established in this section.

11     3. A grant under the program may be awarded to any  
12 minority person who is a resident of Iowa, who is accepted  
13 for admission or is attending a board of regents university,  
14 community college, or an accredited private institution, and  
15 who demonstrates financial need.

16     4. Full-time students may receive grants for not more than  
17 eight semesters of undergraduate study or the trimester or  
18 quarter equivalent of eight semesters of undergraduate study.  
19 Part-time students may receive grants for not more than sixteen  
20 semesters of undergraduate study or the trimester or quarter  
21 equivalent of sixteen semesters of undergraduate study.

22     5. The amount of the grant shall not exceed a student's  
23 yearly financial need or three thousand five hundred dollars,  
24 whichever is less. If the student is attending or seeking to  
25 enroll in an accredited private institution, fifty percent of  
26 the amount of the grant shall be provided by the accredited  
27 private institution and fifty percent shall be provided by the  
28 state board of regents from state funds appropriated for that  
29 purpose.

30     6. Grants shall be awarded on an annual basis and shall  
31 be credited by the institution against the student's tuition,  
32 fees, room, and board, at the beginning of each semester,  
33 trimester, or quarter in equal installments upon certification  
34 by the institution that the student is admitted and attending  
35 the institution.

1     7. If a student receiving a grant under the program  
2 discontinues attendance before the end of any academic period,  
3 but after receiving payment of grant moneys for the academic  
4 period, the entire amount of any refund due the student, up to  
5 the amount of any payments made by the state, shall be remitted  
6 by the private institution to the state board of regents.

7     8. In administering the program for the community colleges  
8 and the private institutions, the state board of regents shall  
9 do all of the following:

10    *a.* Provide application forms to students enrolled and  
11 attending or seeking to enroll and attend community colleges or  
12 accredited private institutions.

13    *b.* Develop and provide confidential financial statement  
14 forms to the parents or guardians of students applying for  
15 grants under the program.

16    *c.* Approve and award grants to community colleges and  
17 accredited private institutions under the program.

18    *d.* Adopt rules for determining financial need and residency  
19 for the purpose of awarding grants to qualified students,  
20 and any other rules necessary for the administration of the  
21 program.

22    *e.* Report annually to the governor and the general assembly  
23 on the progress and implementation of the program.

24    *f.* Require postsecondary institutions that receive moneys  
25 from students awarded grants under the program to furnish any  
26 information necessary for the implementation or administration  
27 of the program.

28    *g.* Solicit and receive private contributions and federal  
29 grants available for purposes of the program.

30    *h.* Maintain records on the recipients of grants awarded  
31 under this section.

32    *i.* Administer funds appropriated for the Iowa minority  
33 academic grants for economic success program to carry out the  
34 duties of the state board of regents.

35    *j.* Provide for the proration of funds among qualified

1 applicants if funds available are insufficient to pay all  
2 approved grants.

3 9. An applicant for a grant under the program shall do all  
4 of the following:

5 a. Complete and file an application for a grant on forms  
6 provided by the state board of regents.

7 b. Submit the financial information required for evaluation  
8 of the applicant's financial need for a grant.

9 c. Comply with rules and information requests of the state  
10 board of regents made in relation to the program.

11 Sec. 74. Section 262.92, subsection 3, Code 2011, is amended  
12 to read as follows:

13 3. The board of regents shall adopt rules to establish  
14 program guidelines for the universities under the board's  
15 control and for the administration and coordination of program  
16 efforts. Rules adopted shall include methods of recording data  
17 relating to voucher recipients and making the data available to  
18 the ~~college student aid commission~~ department of education.

19 Sec. 75. Section 262.93, Code 2011, is amended to read as  
20 follows:

21 **262.93 Reports to general assembly.**

22 The ~~college student aid commission~~ department of education  
23 and the state board of regents each shall submit, by January  
24 15 of each year, a report on the progress and implementation  
25 of the programs which they administer under sections 261.102  
26 through 261.105, 262.82, and 262.92. The reports shall  
27 include, but are not limited to, the numbers of students  
28 participating in the programs and allocation of funds  
29 appropriated for the programs.

30 Sec. 76. Section 272C.4, subsection 10, Code 2011, is  
31 amended to read as follows:

32 10. Establish procedures consistent with the provisions  
33 of section 261.121, subsection 2, Code 2011, and sections  
34 261.122 through 261.127, Code 2011, by which, in the board's  
35 discretion, a license shall be suspended, denied, or revoked,

1 or other disciplinary action imposed, with regard to a licensee  
2 subject to the board's jurisdiction who has defaulted on a  
3 repayment or service obligation under any federal or state  
4 educational loan or service-conditional scholarship program.  
5 Notwithstanding any other provision to the contrary, each board  
6 shall defer to the federal or state program's determination of  
7 default upon certification by the program of such a default  
8 on the part of a licensee, and shall remove the suspension,  
9 grant the license, or stay the revocation or other disciplinary  
10 action taken if the federal or state program certifies that  
11 the defaulting licensee has agreed to fulfill the licensee's  
12 obligation, or is complying with an approved repayment plan.  
13 Licensure sanctions shall be reinstated upon certification that  
14 a defaulting licensee has failed to comply with the repayment  
15 or service requirements, as determined by the federal or state  
16 program. The provisions of this subsection relating to board  
17 authority to act in response to notification of default shall  
18 apply not only to a licensing board, as defined in section  
19 272C.1, but also to any other licensing board or authority  
20 regulating a license authorized by the laws of this state.

21 Sec. 77. Section 303.17, subsection 3, paragraph b,  
22 subparagraph (5), subparagraph division (e), Code 2011, is  
23 amended to read as follows:

24 (e) A faculty member of an accredited private institution as  
25 defined in section ~~261.9~~ 261.1.

26 Sec. 78. Section 522B.11, subsection 1, paragraph n, Code  
27 Supplement 2011, is amended to read as follows:

28 n. Failing to comply with an administrative or court order  
29 related to repayment of loans issued under chapter 261 to the  
30 ~~college student aid commission~~ department of education.

31 DIVISION II

32 POSTSECONDARY REGISTRATION — REQUIREMENTS

33 Sec. 79. Section 261B.2, Code 2011, is amended to read as  
34 follows:

35 **261B.2 Definitions.**

1 As used in this chapter, unless the context otherwise  
2 requires:

3 1. ~~"Commission" means the college student aid commission~~  
4 ~~created pursuant to section 261.1.~~ "Course of instruction"  
5 means a postsecondary educational program that a school  
6 offers through in-person instruction, distance delivery,  
7 correspondence study methods, or any combination thereof.

8 2. "Degree" means a postsecondary credential conferring  
9 on the recipient the title of associate, bachelor, master,  
10 or doctor, or an equivalent title, signifying educational  
11 attainment based on any one or a combination of study or  
12 the equivalent which may be supplemented by experience or  
13 achievement testing. A postsecondary degree under this chapter  
14 shall not include an honorary degree or other unearned degree.

15 3. "Department" means the department of education.

16 4. "Presence" means maintaining an address within Iowa  
17 a location in Iowa at which a student participates in any  
18 structured activity related to a school's distance education  
19 course of instruction, with the exception of proctored  
20 examinations. "Presence" also means an address, location,  
21 telephone number, or internet protocol address in Iowa from  
22 which a school conducts any aspect of its operations. For the  
23 purpose of a residential course of instruction offered on a  
24 school's campus that is not located in Iowa, "presence" does not  
25 include:

26 a. Occasional, short-term activities conducted at a location  
27 in Iowa for the purpose of recruiting students for the school's  
28 residential course of instruction.

29 b. A residency, practicum, internship, clinical, or  
30 similar experience that the school permits the student to  
31 participate in at a location in Iowa, provided that a person  
32 who provides instruction or supervision at the Iowa location is  
33 not compensated by the school.

34 ~~4.~~ 5. "School" means an agency of the state or political  
35 subdivision of the state, individual, partnership, company,

1 firm, society, trust, association, corporation, or any  
2 combination which meets any of the following criteria:

3 a. Is, owns, or operates a ~~nonprofit~~ postsecondary  
4 educational institution.

5 b. Provides a postsecondary ~~instructional program or course~~  
6 of instruction leading to a degree.

7 c. Uses in its name the term "college", "academy",  
8 "institute", or "university" or a similar term to imply that the  
9 person is primarily engaged in the education of students at the  
10 postsecondary level, and which makes a charge for its services.

11 ~~5.~~ 6. "State board" means the state board of education.

12 7. "Student" means a person who enrolls in or seeks to  
13 enroll in a course of instruction offered or conducted by a  
14 school.

15 Sec. 80. Section 261B.3, Code 2011, is amended to read as  
16 follows:

17 **261B.3 Registration.**

18 1. Except as provided in section 261B.11, a school ~~that~~  
19 ~~maintains or shall register with the department if a person~~  
20 ~~compensated by the school conducts one or more courses any~~  
21 ~~portion of a course of instruction, including courses of~~  
22 ~~instruction by correspondence or other distance delivery~~  
23 ~~method, offered in this state or which if the school otherwise~~  
24 has a presence in this state ~~and offers courses in other states~~  
25 ~~or foreign countries shall register with the commission.~~

26 a. Registrations shall be renewed every ~~four~~ two years  
27 ~~or~~ and shall be amended upon any substantive change in  
28 location, program offering, or accreditation. A school  
29 makes a substantive change in a program offering when the  
30 school proposes to offer or modify a program that requires  
31 the approval of the state board or any other state agency  
32 authorized to approve the school or its program in this state.

33 b. Registration shall be made on application forms  
34 approved and ~~supplied~~ made available by the ~~commission~~  
35 department and at the time and in the manner prescribed by

1 the ~~commission department~~. Upon receipt of a complete and  
2 accurate registration application, the commission shall issue  
3 an acknowledgment of document filed and send it to the school.

4 2. The ~~commission department~~ may ~~request~~ require a school  
5 to provide additional information as the department deems  
6 necessary to enable the commission to determine the accuracy  
7 and completeness of the information contained in the evaluate a  
8 school's suitability for registration application.

9 3. The department shall notify a school in writing of its  
10 decision to grant or deny registration and any stipulation  
11 associated with the school's registration.

12 4. If a school fails to meet any of the registration  
13 criteria, or if the commission department believes that false,  
14 misleading, or incomplete information has been submitted in  
15 connection with an application for registration, the ~~commission~~  
16 department may deny registration. The ~~commission~~ department  
17 shall conduct a hearing on the denial if a hearing is requested  
18 by a school. ~~The commission may withhold an acknowledgment~~  
19 ~~of document filed pending the outcome of the hearing~~. Upon a  
20 finding after the hearing that the school fails to meet any of  
21 the registration criteria, or that information contained in the  
22 registration application is false, misleading, or incomplete,  
23 the ~~commission department~~ shall deny ~~an acknowledgment of~~  
24 ~~document filed to the school~~ registration. The ~~commission~~  
25 department shall make the final decision on each registration.  
26 However, the decision of the ~~commission department~~ is subject  
27 to judicial review in accordance with section 17A.19.

28 ~~3. The commission shall adopt rules under chapter 17A for~~  
29 ~~the implementation of this chapter.~~

30 Sec. 81. Section 261B.3A, Code 2011, is amended to read as  
31 follows:

32 **261B.3A Requirements.**

33 1. In order to register, a school shall be accredited  
34 by an agency or organization approved or recognized by the  
35 United States department of education or a successor agency,

1 be approved by any other state agency authorized to approve  
2 the school in this state, and, subsequently, be approved for  
3 operation by the ~~commission~~ department.

4 2. A practitioner preparation program, as defined in  
5 section 272.1, operated by a school that applies to register  
6 the program in accordance with this chapter shall, in order to  
7 register, be accredited by an agency or organization approved  
8 or recognized by the United States department of education or a  
9 successor agency, be approved by the state board ~~of education~~  
10 pursuant to section 256.7, subsection 3, and, subsequently, be  
11 approved for operation by the ~~commission~~ department.

12 3. The department may grant a provisional registration to  
13 a school that is not accredited by an agency or organization  
14 that is recognized by the United States department of education  
15 or its successor agency. The department shall determine  
16 the duration of the provisional registration. During the  
17 provisional registration period, the school shall, at six-month  
18 intervals, submit to the department documentation of its  
19 progress toward achieving accreditation. The department may  
20 renew the school's provisional registration at its discretion  
21 if the documentation submitted indicates that the school is  
22 making progress toward accreditation.

23 ~~3.~~ 4. Nothing in this chapter shall be construed to exempt  
24 a school from the requirements of chapter 490, ~~or~~ 491, or 714.

25 Sec. 82. Section 261B.4, Code 2011, is amended to read as  
26 follows:

27 **261B.4 Registration information.**

28 As a basis for registration, schools shall provide the  
29 ~~commission~~ department with the following information:

30 1. The name or title of the school.

31 2. ~~The~~ As applicable, the principal location of the school  
32 in this state, in other states, and in foreign countries, and  
33 the location of the place or places in this state, in other  
34 states, and in foreign countries where instruction is likely  
35 to be given.

1 3. A schedule of the total tuition charges, fees, and other  
2 costs payable to the school by a student during the course of  
3 instruction.

4 4. The refund policy of the school for the return of  
5 refundable portions of tuition, fees, or other charges.  
6 The tuition refund policy for Iowa resident students of a  
7 for-profit school with at least one program of more than  
8 four months in length that leads to a recognized educational  
9 credential, such as an academic or professional degree,  
10 diploma, or license, must comply with section 714.23.

11 ~~5. The degrees granted by the school.~~

12 ~~6.~~ 5. The names and addresses of the principal owners of  
13 the school or the officers and members of the legal governing  
14 body of the school.

15 ~~7.~~ 6. The name and address of the chief executive officer  
16 of the school.

17 ~~8.~~ 7. A copy of or a description of the means by which the  
18 school intends to comply with section 261B.9.

19 ~~9.~~ 8. The name of the accrediting agency recognized by the  
20 United States department of education or a successor agency  
21 which has accredited the school, and the status under which  
22 accreditation is held, the name of any other accrediting or  
23 licensing entity that has accredited or licensed the school or  
24 its programs, a copy of the accrediting or licensure notice  
25 issued by the entity, and a record of any sanctions the entity  
26 has levied against the school.

27 ~~10.~~ 9. The name, address, and telephone number of a contact  
28 person in this state. A school that applies for registration  
29 to offer a course of instruction by distance delivery may  
30 provide the name and address of its registered agent in Iowa.

31 ~~11.~~ 10. The names or titles and a description of the  
32 courses and degrees to be offered in Iowa.

33 ~~12.~~ 11. A description of procedures for the preservation  
34 of student records and the contact information to be used  
35 by students and graduates who seek to obtain transcript

1 information.

2 ~~13.~~ 12. The academic and instructional methodologies and  
3 delivery systems to be used by the school and the extent to  
4 which the school anticipates each methodology and delivery  
5 system will be used, including, but not limited to, classroom  
6 instruction, correspondence, ~~electronic telecommunications~~  
7 distance delivery, independent study, and portfolio experience  
8 evaluation.

9 13. The name, title, business address, telephone number,  
10 and resume of an Iowa resident compensated by the school to  
11 perform duties at a location in Iowa. A school that applies  
12 for registration to offer a course of instruction by distance  
13 delivery may provide an internet address as the business  
14 address for an Iowa resident it compensates to perform duties  
15 remotely from a location in Iowa.

16 14. The school's official Stafford loan cohort default rate  
17 as calculated by the United States department of education for  
18 the three most recent federal fiscal years, if applicable.

19 15. Average student loan debt upon graduation of students  
20 completing programs at the school.

21 16. The graduation rate of undergraduate students as  
22 reported to the United States department of education.

23 17. Evidence that the school meets the conditions of  
24 financial responsibility established in section 714.18, or that  
25 the school qualifies for an exemption under section 714.19 or  
26 714.22.

27 Sec. 83. Section 261B.5, Code 2011, is amended to read as  
28 follows:

29 **261B.5 Changes.**

30 If any information provided to the ~~commission~~ department  
31 under section 261B.3 or 261B.4 changes, the school shall inform  
32 the ~~commission~~ department within ninety days of the effective  
33 date of the change in the format specified by the ~~commission~~  
34 department.

35 Sec. 84. Section 261B.6, Code 2011, is amended to read as

1 follows:

2 **261B.6 List of schools.**

3 The ~~commission~~ department shall maintain a list of  
4 registered schools and the list and the information submitted  
5 under sections 261B.3 and 261B.4 are public records under  
6 chapter 22.

7 Sec. 85. Section 261B.7, Code 2011, is amended to read as  
8 follows:

9 **261B.7 Unauthorized representation.**

10 ~~Neither a~~ A school nor its or a school's officials or  
11 employees shall not advertise or represent that the school is  
12 approved or accredited by the ~~commission~~ department or the  
13 state of Iowa ~~nor shall it use the registration as a~~. However,  
14 a registered school shall reference in promotional materials  
15 that the school is registered by the department on behalf  
16 of the state of Iowa and provide the department's contact  
17 information for students who wish to inquire about the school  
18 or file a complaint.

19 Sec. 86. Section 261B.8, subsection 1, Code 2011, is amended  
20 to read as follows:

21 1. The ~~commission~~ department shall ~~set by rule and~~ collect  
22 a nonrefundable initial registration fee and a renewal of  
23 registration fee from each registered school. Moneys collected  
24 as initial registration fees and registration renewal fees  
25 shall be considered a repayment receipt, as defined in section  
26 8.2, and shall be retained by the department.

27 Sec. 87. Section 261B.8, subsection 3, Code 2011, is amended  
28 by striking the subsection.

29 Sec. 88. Section 261B.9, subsection 5, Code 2011, is amended  
30 to read as follows:

31 5. Whether the postsecondary credential ~~or certificate~~  
32 issued, awarded, or credited to a student upon completion  
33 of the course or the fact of completion of the course is  
34 applicable toward a degree granted by the school and, if so,  
35 under what circumstances the application will be made.

1     Sec. 89. Section 261B.9, Code 2011, is amended by adding the  
2 following new subsection:

3     NEW SUBSECTION. 7. The disclosures required by the  
4 department for an out-of-state school that the state board  
5 approves to offer a practitioner preparation program by  
6 distance delivery method.

7     Sec. 90. NEW SECTION. **261B.10 Duties of the state board.**

8     The state board shall do all of the following:

9     1. Adopt rules under chapter 17A for the implementation of  
10 this chapter.

11    2. Establish reasonable registration standards for the  
12 approval of postsecondary schools that are required to register  
13 with the department in order to operate in this state. The  
14 registration standards established by the state board shall  
15 ensure that all of the following conditions are satisfied:

16    *a.* The courses, curriculum, and instruction offered by the  
17 postsecondary school are of such quality and content as may  
18 reasonably and adequately ensure achievement of the stated  
19 objective for which the courses, curriculum, or instruction is  
20 offered.

21    *b.* The postsecondary school has adequate space, equipment,  
22 instructional material, and personnel to provide education and  
23 training of good quality.

24    *c.* The educational and experience qualifications of  
25 the postsecondary school's directors, administrators, and  
26 instructors are such as may reasonably ensure that students  
27 will receive instruction consistent with the objectives of the  
28 postsecondary school's programs of study.

29    *d.* Upon completion of training or instruction, students are  
30 given certificates, diplomas, or degrees as appropriate by the  
31 postsecondary school indicating satisfactory completion of the  
32 program.

33    *e.* The postsecondary school is financially responsible and  
34 capable of fulfilling commitments for instruction.

35    3. Set by rule registration fees.

1     Sec. 91. Section 261B.11, Code 2011, is amended to read as  
2 follows:

3     **261B.11 Exceptions.**

4     1. This chapter does not apply to the following types of  
5 schools and courses of instruction:

6     ~~1.~~ a. Schools and educational programs conducted by firms,  
7 corporations, or persons solely for the training of their own  
8 employees.

9     ~~2.~~ b. Apprentice or other training programs provided by  
10 labor unions solely to members or applicants for membership.

11     ~~3.~~ c. Courses of instruction of an avocational or  
12 recreational nature that do not lead to an occupational  
13 objective.

14     ~~4.~~ d. Seminars, refresher courses, and programs of  
15 instruction sponsored by professional, business, or farming  
16 organizations or associations for the members and employees of  
17 members of these organizations or associations.

18     ~~5.~~ e. Courses of instruction conducted by a public school  
19 district or a combination of public school districts.

20     ~~6.~~ f. Colleges and universities authorized by the laws of  
21 this state to grant degrees.

22     ~~7.~~ g. Schools or courses of instruction or courses of  
23 training that are offered by a vendor solely to the purchaser  
24 or prospective purchaser of the vendor's product when the  
25 objective of the school or course is to enable the purchaser  
26 or the purchaser's employees to gain skills and knowledge to  
27 enable the purchaser to use the product.

28     ~~8.~~ h. Schools and educational programs conducted by  
29 religious organizations solely for the religious instruction of  
30 leadership practitioners of that religious organization.

31     ~~9.~~ i. Postsecondary educational institutions licensed by  
32 the state of Iowa ~~prior to July 1, 2009,~~ under section 157.8  
33 or 158.7 to conduct business operate as schools of cosmetology  
34 arts and sciences or as barber schools in the state.

35     ~~10.~~ j. ~~Accredited higher education~~ Eligible institutions

1 ~~that meet the criteria established under as defined in section~~  
2 ~~261.92, subsection 1~~ 261.1.

3 ~~11.~~ k. Postsecondary educational institutions offering  
4 programs limited to nondegree specialty vocational training  
5 programs.

6 ~~12. Not-for-profit colleges and universities established~~  
7 ~~and authorized by city ordinance to grant degrees.~~

8 1. Higher education institutions located in Iowa that are  
9 affiliated with health care systems located in Iowa, and which  
10 offer health professions programs that are accredited by an  
11 accrediting agency recognized by the United States department  
12 of education.

13 m. Higher education institutions located in Iowa whose  
14 massage therapy curriculum is approved under administrative  
15 rules of the professional licensure division of the department  
16 of public health and whose instructors are licensed massage  
17 therapists under chapter 152C.

18 2. A school that claims an exemption from registration  
19 under subsection 1, paragraph "h", "i", "k", "l", or "m", must  
20 demonstrate to the department or its designee that it qualifies  
21 for the exemption. The school must apply for approval of its  
22 exemption claim on an application supplied by the department.  
23 The department or its designee may approve the school's  
24 exemption claim or deny it. A school whose exemption claim is  
25 approved must reapply to renew its exemption no less frequently  
26 than every two years.

27 a. A school that is granted an exemption under this section  
28 must file evidence of financial responsibility under section  
29 714.18 or demonstrate to the department or its designee that  
30 the school qualifies for an exemption under section 714.19 or  
31 714.22.

32 b. A for-profit school with at least one program of  
33 more than four months in length that leads to a recognized  
34 educational credential, such as an academic or professional  
35 degree, diploma, or license, must submit to the department or

1 its designee a tuition refund policy that meets the conditions  
2 of section 714.23.

3 3. A school that is denied an exemption claim by the  
4 department or its designee, or that no longer qualifies for  
5 a claimed exemption, shall apply for registration or cease  
6 operating in Iowa.

7 Sec. 92. NEW SECTION. 261B.11A Ineligibility for state  
8 student aid programs.

9 1. Students attending schools required to register under  
10 this chapter are ineligible for state student financial aid  
11 programs established under chapter 261.

12 2. A school required to register under this chapter is  
13 prohibited from offering state aid or advertising that state  
14 aid is or may be available to students attending the school.

15 Sec. 93. Section 261B.12, subsections 1 and 2, Code 2011,  
16 are amended to read as follows:

17 1. When the ~~commission or the commission's designee~~  
18 ~~believes~~ department determines a school is in violation of this  
19 chapter, the ~~commission~~ department shall order the school to  
20 show cause why the ~~commission~~ department should not issue a  
21 cease and desist order to the school.

22 2. After the school's response to the show cause order has  
23 been reviewed by the ~~commission~~ department, the ~~commission~~  
24 department may issue a cease and desist order to the school if  
25 the ~~commission believes~~ department determines that the school  
26 continues to be in violation of this chapter. If the school  
27 does not cease and desist, the ~~commission~~ department may seek  
28 judicial enforcement of the cease and desist order in any  
29 district court.

30 DIVISION III

31 POSTSECONDARY REGISTRATION UNLAWFUL ACTIVITY

32 Sec. 94. Section 714.17, Code 2011, is amended to read as  
33 follows:

34 714.17 Unlawful advertising and selling of educational  
35 courses of instruction.

1 It shall be unlawful for any person, firm, association,  
2 or corporation maintaining, advertising, or conducting in  
3 Iowa any educational course ~~of instruction~~ for profit, or  
4 for tuition charge, whether by classroom instructions, ~~or~~ by  
5 correspondence, or by other delivery method to:

6 1. Falsely advertise or represent to any person any matter  
7 material to ~~such~~ an educational course ~~of instruction~~. All  
8 advertising of such courses ~~of instruction~~ shall adhere to and  
9 comply with the rules and regulations of the federal trade  
10 commission ~~as of July 4, 1965~~.

11 2. Collect tuition or other charges in excess of one hundred  
12 fifty dollars in the case of educational courses offered by  
13 correspondence ~~courses of study~~, in advance of the receipt and  
14 approval by the pupil of the first assignment or lesson of such  
15 course. Any contract providing for advance payment of more  
16 than one hundred fifty dollars shall be voidable on the part of  
17 the pupil or any person liable for the tuition provided for in  
18 the contract.

19 3. Promise or guarantee employment utilizing information,  
20 training, or skill purported to be provided or otherwise  
21 enhanced by a an educational course, unless the promisor or  
22 guarantor offers the student or prospective student a bona  
23 fide contract of employment agreeing to employ said student  
24 or prospective student for a period of not less than one  
25 hundred twenty days in a business or other enterprise regularly  
26 conducted by the promisor or guarantor and in which such  
27 information, training, or skill is a normal condition of  
28 employment.

29 Sec. 95. Section 714.18, subsection 1, Code 2011, is amended  
30 to read as follows:

31 1. Except as otherwise provided in subsection 2, every  
32 person, firm, association, or corporation maintaining or  
33 conducting in Iowa any ~~such~~ educational course ~~of instruction~~  
34 by classroom instruction or by correspondence or by other  
35 ~~distance~~ delivery method, or soliciting in Iowa the sale of

1 such course, shall file with the ~~college student aid commission~~  
2 department of education all of the following:

3     *a.* A continuous corporate surety bond to the state of  
4 Iowa in the sum of fifty thousand dollars conditioned ~~for~~  
5 on the faithful performance of all contracts and agreements  
6 with students made by such person, firm, association, or  
7 corporation, or their salespersons; but the aggregate liability  
8 of the surety for all breaches of the conditions of the bond  
9 shall not exceed the sum of the bond. The surety on the  
10 bond may cancel the bond upon giving thirty days' written  
11 notice to the ~~college student aid commission~~ department of  
12 education and thereafter shall be relieved of liability for any  
13 breach of condition occurring after the effective date of the  
14 cancellation.

15     *b.* A statement designating a resident agent for the purpose  
16 of receiving service in civil actions. In the absence of such  
17 designation, service may be had upon the secretary of state if  
18 service cannot otherwise be made in this state.

19     *c.* A copy of any catalog, prospectus, brochure, or other  
20 advertising material intended for distribution in Iowa.  
21 Such material shall state the cost of the educational course  
22 offered, the schedule of tuition refunds for portions of the  
23 educational course not completed, and if no refunds are to  
24 be paid, the material shall so state. Any contract induced  
25 by advertising materials not previously filed as provided in  
26 this chapter shall be voidable on the part of the pupil or any  
27 person liable for the tuition provided for in the contract.

28     Sec. 96. Section 714.18, subsection 2, unnumbered paragraph  
29 1, Code 2011, is amended to read as follows:

30     A school licensed under the provisions of section 157.8  
31 or 158.7 shall file with the ~~college student aid commission~~  
32 department of education the following:

33     Sec. 97. Section 714.18, subsection 2, paragraph a, Code  
34 2011, is amended to read as follows:

35     *a.* (1) A continuous corporate surety bond to the state of

1 Iowa in the sum of fifty thousand dollars or ten percent of the  
2 total annual tuition collected, whichever is less, conditioned  
3 ~~for~~ on the faithful performance of all contracts and agreements  
4 with students made by such school. A school desiring to file  
5 a surety bond based on a percentage of annual tuition shall  
6 provide to the ~~college student aid commission~~ department of  
7 education, in the form prescribed by the ~~commission~~ department,  
8 a notarized statement attesting to the total amount of tuition  
9 collected in the preceding twelve-month period. The ~~commission~~  
10 department shall determine the sufficiency of the statement and  
11 the amount of the bond. Tuition information submitted pursuant  
12 to this subparagraph shall be kept confidential.

13 (2) If the school has filed a performance bond with an  
14 agency of the United States government pursuant to federal law,  
15 the ~~college student aid commission~~ department of education  
16 shall reduce the bond required by this paragraph "a" by an  
17 amount equal to the amount of the federal bond.

18 (3) The aggregate liability of the surety for all breaches  
19 of the conditions of the bond shall not exceed the sum of  
20 the bond. The surety on the bond may cancel the bond upon  
21 giving thirty days' written notice to the ~~college student aid~~  
22 ~~commission~~ department of education and thereafter shall be  
23 relieved of liability for any breach of condition occurring  
24 after the effective date of the cancellation.

25 (4) The ~~college student aid commission~~ department of  
26 education may accept a letter of credit ~~from~~ issued by a bank  
27 in lieu of the corporate surety bond required by ~~this paragraph~~  
28 "a" subparagraphs (1) through (3), as applicable.

29 Sec. 98. Section 714.19, unnumbered paragraph 1, Code 2011,  
30 is amended to read as follows:

31 ~~None of the~~ The provisions of sections 714.17 to ~~714.22~~  
32 714.25 shall not apply to the following:

33 Sec. 99. Section 714.19, subsections 6 through 8, Code 2011,  
34 are amended to read as follows:

35 6. Schools and educational programs conducted by firms,

1 corporations, or persons ~~for the training of their own~~  
2 ~~employees,~~ for which no fee is charged.

3 7. Seminars, refresher courses, and schools of instruction  
4 ~~sponsored~~ conducted by professional, business, or farming  
5 organizations or associations for the members and employees of  
6 members of such organizations or associations. A person who  
7 provides instruction under this subsection who is not a member  
8 or an employee of a member of the organization or association  
9 shall not be eligible for this exemption.

10 8. Private business schools accredited by ~~the accrediting~~  
11 ~~commission for business schools or an acknowledged~~ accrediting  
12 agency recognized by the United States department of education  
13 or the council for higher education accreditation.

14 Sec. 100. Section 714.19, Code 2011, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 10. Accredited private institutions as  
17 defined in section 261.1.

18 Sec. 101. Section 714.22, subsection 1, Code 2011, is  
19 amended to read as follows:

20 1. File a bond or a bond is filed on their behalf by a  
21 parent corporation with the ~~college student aid commission~~  
22 department of education as required by section 714.18.

23 Sec. 102. Section 714.23, Code 2011, is amended by adding  
24 the following new subsection:

25 NEW SUBSECTION. 01. a. For the purposes of this section  
26 and section 714.25, "*postsecondary educational program*" means  
27 a series of postsecondary educational courses that lead to  
28 a recognized educational credential such as an academic or  
29 professional degree, diploma, or license.

30 b. For the purposes of this section, "*school period*" means  
31 the course, term, payment period, postsecondary educational  
32 program, or other period for which the school assessed tuition  
33 charges to the student. A school that assesses tuition charges  
34 to the student at the beginning of each course, term, payment  
35 period, or other period that is shorter than the postsecondary

1 educational program's length shall base its tuition refund on  
2 the amount of tuition costs the school charged for the course,  
3 term, or other period in which the student terminated. A  
4 school shall not base its tuition refund calculation on any  
5 portion of a postsecondary educational program that remains  
6 after a student terminates unless the student was charged for  
7 that remaining portion of the postsecondary educational program  
8 before the student's termination.

9 Sec. 103. Section 714.23, subsections 1 through 5, Code  
10 2011, are amended to read as follows:

11 1. A person offering ~~a course of instruction at the~~  
12 postsecondary level at least one postsecondary educational  
13 program, for profit, that is more than four months in  
14 length and leads to a ~~degree, diploma, or license~~ recognized  
15 educational credential, shall make a pro rata refund of ~~no less~~  
16 ~~than ninety percent of the tuition for a terminating student to~~  
17 ~~the appropriate agency based upon~~ charges to an Iowa resident  
18 student who terminates from any of the school's postsecondary  
19 educational programs in an amount that is not less than  
20 ninety percent of the amount of tuition charged to the student  
21 multiplied by the ratio of ~~completed number of scheduled school~~  
22 days to the number of calendar days remaining in the school  
23 period until the date equivalent to the completion of sixty  
24 percent of the ~~scheduled school~~ calendar days of in the school  
25 term or course period to the total number of calendar days in  
26 the school period until the date equivalent to the completion  
27 of sixty percent of the calendar days in the school period.

28 2. Notwithstanding the provisions of subsection 1, the  
29 following tuition refund policy shall apply:

30 a. If a terminating student has completed sixty percent or  
31 more of a school ~~term or course that is more than four months in~~  
32 length period, the person offering the ~~course of instruction~~  
33 postsecondary educational program is not required to refund  
34 tuition ~~for~~ charges to the student. However, if, at any time,  
35 a student terminates a ~~school term or course that is more than~~

1 ~~four months in length~~ postsecondary educational program due  
2 to the student's physical incapacity or, for a program that  
3 requires classroom instruction, due to the transfer of the  
4 student's spouse's employment to another city, the terminating  
5 student shall receive a refund of tuition charges in an amount  
6 ~~which that~~ equals the amount of tuition charged to the student  
7 multiplied by the ratio of the remaining number of school  
8 calendar days in the school period to the total school number  
9 of calendar days of in the school term or course period.

10 ~~b. A refund of ninety percent of the tuition for a~~  
11 ~~terminating student shall be paid to the appropriate agency~~  
12 ~~based upon the ratio of completed number of school days to~~  
13 ~~the total school days of the school term or course. A school~~  
14 shall provide to a terminating student a refund of tuition  
15 charges in an amount that is not less than ninety percent of  
16 the amount of tuition charged to the student multiplied by the  
17 ratio of the remaining number of calendar days in the school  
18 period to the total number of calendar days in the school  
19 period. This paragraph "b" applies to those persons offering  
20 ~~courses of instruction at the postsecondary level at least one~~  
21 postsecondary educational program of more than four months in  
22 length, for profit, whose cohort default rate for students  
23 under the Stafford loan program as ~~defined~~ reported by the  
24 United States department of education for the most recent  
25 federal fiscal year is more than one hundred ten percent of the  
26 national average cohort default rate of all schools for ~~that~~  
27 program for that period the same federal fiscal year or six  
28 percent, whichever is higher.

29 3. ~~If the financial obligations of a student are for three~~  
30 ~~or fewer months duration, this section does not apply.~~ In the  
31 case of a program in which student progress is measured only in  
32 clock hours, all occurrences of "calendar days" in subsections  
33 1 and 2 shall be replaced with "scheduled clock hours".

34 4. ~~Refunds~~ A refund of tuition charges shall be paid  
35 provided to the ~~appropriate agency~~ student within ~~thirty~~

1 forty-five days following the student's termination date of the  
2 school's determination that a student has terminated from a  
3 postsecondary educational program.

4 5. A student who terminates a ~~course of instruction or~~  
5 term postsecondary educational program shall not be charged  
6 any fee or other monetary penalty for terminating a ~~course of~~  
7 instruction or term the postsecondary educational program,  
8 other than a reduction in tuition refund as specified in this  
9 section.

10 Sec. 104. NEW SECTION. 714.24 **Additional requirements.**

11 1. A required filing of evidence of financial  
12 responsibility pursuant to section 714.18 must be completed at  
13 least once every two years.

14 2. An entity that claims an exemption under section 714.19  
15 or 714.22 must file an exemption claim with the department of  
16 education. The department of education may approve or deny the  
17 exemption claim. Except for a school that claims an exemption  
18 under section 714.19, subsection 1, 3, or 10, a filing of a  
19 claim for an exemption pursuant to section 714.19 or 714.22  
20 must be completed at least once every two years.

21 3. An entity that claims an exemption under section 714.19  
22 or 714.22 must file evidence of financial responsibility  
23 pursuant to section 714.18 within sixty calendar days following  
24 the date upon which conditions that qualify the entity for an  
25 exemption under section 714.19 no longer exist. The department  
26 of education may grant an entity a longer period to file  
27 evidence of financial responsibility based on documentation  
28 the entity provides to the department of education of its  
29 substantial progress to comply with section 714.18, subsection  
30 1, paragraph "a".

31 4. An entity that is required to file evidence of financial  
32 responsibility under section 714.18, or an entity that files  
33 a claim of exemption under section 714.19 or 714.22, shall  
34 utilize required forms approved and supplied by the department  
35 of education.

1 5. The department of education may, at its discretion,  
2 require a proprietary school that must comply with section  
3 714.23 to submit its tuition refund policy to the department of  
4 education for its review and approval.

5 6. The department of education and the attorney general may,  
6 individually or jointly, adopt rules pursuant to chapter 17A  
7 for the implementation of sections 714.18 through 714.25.

8 7. Except as provided in section 714.18, subsection 2,  
9 paragraph "a", the information submitted under sections 714.18,  
10 714.22, 714.23, and 714.25 are public records under chapter 22.

11 Sec. 105. Section 714.25, Code 2011, is amended to read as  
12 follows:

13 **714.25 Disclosure.**

14 1. For purposes of this ~~chapter section~~, unless the  
15 ~~context otherwise requires~~, "*proprietary school*" means a person  
16 offering a ~~course of instruction at the postsecondary level~~  
17 postsecondary educational program, for profit, that is more  
18 than four months in length and leads to a ~~degree, diploma, or~~  
19 license recognized educational credential, such as an academic  
20 or professional degree, diploma, or license.

21 2. A proprietary school shall, prior to the time a student  
22 is obligated for payment of any moneys, inform the student, the  
23 ~~college student aid commission~~ department of education, and in  
24 the case of a school licensed under section 157.8, the board  
25 of cosmetology arts and sciences or in the case of a school  
26 licensed under section 158.7, the board of barbering, of all  
27 of the following:

28 a. The total cost of the ~~course of instruction~~ postsecondary  
29 educational program as charged by the proprietary school.

30 b. An estimate of any fees which may be charged the  
31 student by others which would be required if the student is  
32 to successfully complete the course postsecondary educational  
33 program and, ~~if applicable~~, obtain a ~~degree, diploma, or~~  
34 license recognized educational credential.

35 c. The percentage of students who successfully complete

1 the ~~course~~ postsecondary educational program, the percentage  
2 who terminate prior to completing the ~~course~~ postsecondary  
3 educational program, and the period of time upon which the  
4 proprietary school has based these percentages. The reporting  
5 period shall not be less than one year in length and shall not  
6 extend more than five years into the past.

7 *d.* If claims are made by the proprietary school as to  
8 successful placement of students in jobs upon completion of the  
9 ~~course of study~~ proprietary school's postsecondary educational  
10 programs, the proprietary school shall provide the student with  
11 all of the following:

12 (1) The percentage of graduating students who were placed  
13 in jobs in fields related to the ~~course of instruction~~  
14 postsecondary educational programs.

15 (2) The percentage of graduating students who went on to  
16 further education immediately upon graduation.

17 (3) The percentage of students who, ninety days after  
18 graduation, were without a job and had not gone on to further  
19 education.

20 (4) The period of time upon which the reports required by  
21 paragraphs "a" through "c" were based. The reporting period  
22 shall not be less than one year in length and shall not extend  
23 more than five years into the past.

24 *e.* If claims are made by the proprietary school as to income  
25 levels of students who have graduated and are working in fields  
26 related to the proprietary school's ~~course of instruction~~  
27 postsecondary educational programs, the proprietary school  
28 shall inform the student of the method used to derive such  
29 information.

30 3. The requirements of subsection 2 shall not apply to  
31 a proprietary school that is eligible for federal student  
32 financial aid under Tit. IV of the federal Higher Education Act  
33 of 1965, as amended.

34  
35

DIVISION IV  
MISCELLANEOUS PROVISIONS

1     Sec. 106. REPEAL. Sections 261.9, 261.13 through 261.17A,  
2 261.20, 261.22, 261.24, 261.25, 261.35 through 261.39, 261.41  
3 through 261.43A, 261.44, 261.48, 261.54, 261.81A, 261.84,  
4 261.92, 261.96, 261.97, 261.101 through 261.105, 261.121  
5 through 261.127, and 714.22, Code and Code Supplement 2011, are  
6 repealed.

7     Sec. 107. TRANSITION PROVISIONS.

8     1. Any scholarship, loan, or grant awarded under a  
9 program administered by the college student aid commission in  
10 accordance with chapter 261, Code and Code Supplement 2011,  
11 prior to the effective date of this Act is valid and shall  
12 continue as provided in the terms of the award. On or after the  
13 effective date of this Act, such awards shall be administered  
14 by the department of education.

15     2. Any rule, regulation, form, order, or directive  
16 promulgated by the college student aid commission as required  
17 to administer and enforce the provisions of chapters 261 and  
18 261B, Code and Code Supplement 2011, shall continue in full  
19 force and effect until amended, repealed, or supplemented by  
20 affirmative action of the state board of education.

21     3. An administrative hearing or court proceeding arising  
22 out of an enforcement action under chapters 261 and 261B,  
23 pending on the effective date of this Act, shall not be  
24 affected by this Act. Any cause of action or statute of  
25 limitation relating to an action taken by the college student  
26 aid commission shall not be affected by this Act and such  
27 cause of action or statute of limitation shall apply to the  
28 state board of education or the department of education, as  
29 applicable.

30     4. a. All employees of the college student aid commission  
31 shall be considered employees of the department of education on  
32 the effective date of this Act without incurring any loss in  
33 salary, benefits, or accrued years of service.

34     b. If an employee of the commission is an employee covered  
35 under the collective bargaining provisions of chapter 20, that

1 employee shall also be covered under chapter 20 upon becoming  
2 employed by the department of education.

3 c. All employees of the commission becoming employed by  
4 the department pursuant to this subsection shall be considered  
5 employees for purposes of chapter 97B.

6 5. Any replacement of signs, logos, stationery, insignia,  
7 uniforms, and related items that is made due to the effect of  
8 this Act shall be done as part of the normal replacement cycle  
9 for such items.

10 6. The college student aid commission shall assist the  
11 department of education in implementing this Act by providing  
12 for an effective transition of powers and duties from one  
13 agency to another under chapters 256, 261, and 261B and  
14 related administrative rules. To the extent requested by the  
15 department of education, such assistance shall include but is  
16 not limited to assisting in cooperating with federal agencies  
17 such as the United States department of education.

18 7. Any moneys remaining in any account or fund under the  
19 control of the college student aid commission on the effective  
20 date of this Act and relating to the provisions of this Act  
21 shall be transferred to a comparable fund or account under  
22 the control of the department of education for such purposes.  
23 Notwithstanding section 8.33, the moneys transferred in  
24 accordance with this subsection shall not revert to the account  
25 or fund from which appropriated or transferred.

26 8. Any registration or contract issued or entered into by  
27 the college student aid commission relating to the provisions  
28 of chapter 261 or 261B, Code and Code Supplement 2011, in  
29 effect on the effective date of this Act shall continue in  
30 full force and effect pending transfer of such registration or  
31 contract to the department of education.

32 9. Federal funds utilized by the college student aid  
33 commission prior to the effective date of this Act to employ  
34 personnel necessary for the administration of the commission's  
35 programs shall be applied to and be available for the transfer



1 commission to the department, the validity of awards made  
2 by the commission prior to the effective date of the bill,  
3 cooperation with federal agencies, transfer of funds, and  
4 enforcement actions.

5 DIVISION I — TRANSFER OF COMMISSION DUTIES. The bill  
6 authorizes the department to enter into any agreements with  
7 the United States secretary of education or other federal  
8 agency that are necessary to provide education programs and  
9 services to current and future Iowa postsecondary students and  
10 their counselors, parents and guardians, and to elementary,  
11 secondary, and postsecondary institutions. The bill also  
12 specifically authorizes the department to administer the  
13 college access initiative and the gaining early awareness and  
14 readiness for undergraduate programs authorized under federal  
15 law.

16 The bill requires the department to develop and provide  
17 information, materials, and services to eligible lenders,  
18 postsecondary institutions, elementary and secondary schools,  
19 students, parents, education loan borrowers, and the general  
20 public; to develop and implement programs, initiatives and  
21 services relating to postsecondary student aid outreach,  
22 financial literacy education, career planning, student aid  
23 program compliance assistance and training, program monitoring  
24 and compliance review, default prevention, default aversion,  
25 and defaulted federal student loan collection; and to conduct  
26 college access initiative activities as required under federal  
27 law.

28 The bill requires the department to expend property and  
29 moneys belonging to the agency operating account to execute the  
30 department's powers and duties.

31 The bill establishes a college student aid council  
32 consisting of 12 members. Membership on the new council  
33 reflects the current membership on the college student aid  
34 commission except that the council's membership includes a  
35 college president who represents for-profit colleges and

1 universities in the state, it does not include a member who  
2 represents a lending institution or a member who is repaying or  
3 has repaid a student loan guaranteed by the commission, and it  
4 has one less member to represent the general public. Except as  
5 otherwise provided, members shall serve staggered terms of four  
6 years beginning on May 1 of the year of appointment.

7 The council is tasked with assisting the state board with  
8 substantial issues which are directly related to college  
9 student financial aid and registration of postsecondary  
10 schools. The state board shall refer all substantial issues  
11 directly related to college student financial aid and  
12 registration of postsecondary schools to the council. The  
13 council shall formulate recommendations on each issue referred  
14 to it by the state board and shall submit the recommendations  
15 to the state board within any specified time periods.

16 The initial organizational meeting of the college student  
17 aid council shall be called by the director of the department.  
18 The members serving on the college student aid commission on  
19 the effective date of the bill shall serve as the initial  
20 members of the council and shall fulfill the duties of the  
21 council until the end of the terms to which they were appointed  
22 under Code section 261.1 (Code and Code Supplement 2011), when  
23 members to the council shall be appointed in accordance with  
24 Code section 261.8.

25 Under the bill, the barber and cosmetology schools must  
26 submit an annual report to the department, as other accredited  
27 private institutions are required to submit, relating to  
28 institution and student data.

29 DIVISION II — POSTSECONDARY REGISTRATION REQUIREMENTS.

30 The bill expands the definition of a postsecondary school  
31 which maintains a presence in Iowa to include, with certain  
32 exceptions, a location in the state at which a student  
33 participates in any structured activity related to a school's  
34 distance education course of instruction, as well as any  
35 address, location, telephone number, or internet protocol

1 address in Iowa from which the school conducts any aspect of  
2 its operations.

3 The bill requires postsecondary schools to renew  
4 registration with the department every two years instead of  
5 every four years.

6 The bill allows the department to grant a provisional  
7 registration to a postsecondary school that is not accredited  
8 by an agency or organization that is recognized by the United  
9 States department of education. Such a school must report on  
10 its progress toward seeking accreditation every six months.  
11 Provisional registration may be renewed at the department's  
12 discretion.

13 The bill expands the information a postsecondary school  
14 seeking to register must provide to the department. The  
15 new requirements include the name, title, business address,  
16 telephone number, and resume of an Iowa resident compensated  
17 by the school to perform duties at a location in the state;  
18 the school's official Stafford loan cohort default rate as  
19 calculated by the United States department of education for the  
20 three most recent federal fiscal years; the average student  
21 loan debt upon graduation of students completing programs at  
22 the school; the graduation rate of undergraduate students as  
23 reported to the United States department of education; and  
24 evidence that the school meets the conditions of financial  
25 responsibility established in Code chapter 714.

26 The bill makes changes to postsecondary schools exempt from  
27 Code chapter 261B, including exemptions for schools at which  
28 students are eligible for tuition grants under Code chapter  
29 261; certain schools affiliated with health care systems; and  
30 certain schools offering approved massage therapy curriculums.

31 The bill specifies that students attending schools which  
32 must register with the department under Code chapter 261B  
33 are ineligible for state student financial aid programs  
34 established by Code chapter 261, and such schools may not offer  
35 such financial aid or advertise that such financial aid is

1 available.

2 The bill also makes changes to terminology and other  
3 technical changes relating to the department's registration  
4 requirements under Code chapter 261B.

5 DIVISION III — POSTSECONDARY REGISTRATION — UNLAWFUL  
6 ACTIVITY. The bill makes various changes relating to the  
7 department's oversight functions over the advertising,  
8 financial responsibility, tuition refund, and disclosure  
9 requirements and restrictions governing certain educational  
10 programs and courses under Code chapter 714.

11 The bill amends Code section 714.19, relating to the  
12 nonapplicability of Code sections 714.17 to 714.25, governing  
13 business and financial practices of sellers of educational  
14 courses, to provide that instructors for courses conducted  
15 by professional, business, or farming organizations or  
16 associations for the members and employees of members of such  
17 entities who are not members or employees of members themselves  
18 are ineligible for exemption from Code sections 714.17 to  
19 714.25. The bill specifies accreditation standards for private  
20 business schools exempt from Code sections 714.17 to 714.25.  
21 The bill creates a new exemption from Code sections 714.17  
22 to 714.25 for private, nonprofit schools eligible for state  
23 student financial aid programs authorized under Code chapter  
24 261. The bill repeals Code section 714.22, which exempts trade  
25 and vocational schools from Code sections 714.17 to 714.25 if  
26 certain conditions are met.

27 The bill amends Code section 714.23 to remove the exemption  
28 for students with financial obligations of three or fewer  
29 months' duration from standards regarding tuition refund  
30 policies. The bill provides for the inclusion of educational  
31 programs in which student progress is measured only in clock  
32 hours under standards regarding tuition refund policies. The  
33 bill also provides that certain tuition refunds must be paid  
34 directly to students. A violation of Code section 714.23 is a  
35 simple misdemeanor, which is punishable by confinement for not

1 more than 30 days or a fine of at least \$65 but not more than  
2 \$625 or by both.

3 The bill amends Code section 714.25 to exempt from certain  
4 disclosure requirements proprietary schools, as defined in the  
5 bill, that are eligible for federal student financial aid under  
6 Title IV of the Higher Education Act of 1965.

7 The bill provides that the department and the attorney  
8 general may, individually or jointly, adopt rules pursuant  
9 to Code chapter 17A to carry out the department's oversight  
10 functions under Code chapter 714.

11 The bill also makes changes to terminology, demonstration  
12 of compliance, and exemptions relating to the department's  
13 oversight functions under Code chapter 714.

14 DIVISION IV — MISCELLANEOUS PROVISIONS. The bill repeals  
15 a number of Code sections that have not been funded in  
16 recent years, including provisions relating to the Iowa hope  
17 loan program, accelerated career education grants, the Iowa  
18 guaranteed loan program, guaranteed loan payment program,  
19 minority teacher loan payments, repayment of science and  
20 mathematics loans, and the Iowa heritage corps. Because of  
21 changes in federal law, the bill repeals provisions that  
22 authorized the college student aid commission to initiate  
23 action to deny, revoke, or suspend any license authorized by  
24 state law, to any person who defaulted on an obligation owed  
25 or collected by the commission. Provisions relating to the  
26 minority academic grants for economic success are transferred  
27 to new Code section 262.83, as the state board of regents  
28 currently administers the program.

29 The bill includes a number of conforming amendments.

30 The bill takes effect January 1, 2013.