



TERRY E. BRANSTAD  
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS  
LT. GOVERNOR

April 3, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2271, an Act relating to the duties and authority of the College Student Aid Commission relating to the registration of certain postsecondary schools, to interstate reciprocity agreements, and to registration fees collected by the commission.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

Terry E. Branstad  
Governor

cc: Secretary of the Senate  
Clerk of the House



Senate File 2271

AN ACT

RELATING TO THE DUTIES AND AUTHORITY OF THE COLLEGE STUDENT AID COMMISSION RELATING TO THE REGISTRATION OF CERTAIN POSTSECONDARY SCHOOLS, TO INTERSTATE RECIPROCITY AGREEMENTS, AND TO REGISTRATION FEES COLLECTED BY THE COMMISSION.

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

Section 1. Section 261.2, subsection 11, paragraph a, Code 2014, is amended to read as follows:

a. The institutions are not required to register under chapter 261B or the institutions are participating resident institutions as defined in section 261G.2 that volunteer to register under section 261B.11B.

Sec. 2. Section 261.2, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 13. Enter into and administer, or recognize, an interstate reciprocity agreement for the provision of postsecondary distance education by a postsecondary institution pursuant to chapter 261G. The commission shall adopt rules establishing application procedures and criteria for the authorization of postsecondary institutions providing postsecondary distance education under interstate reciprocity agreements pursuant to chapter 261G and for the review and approval of interstate reciprocity agreements the commission may enter into or recognize pursuant to this subsection and chapter 261G. The commission may accept an authorization granted by another state to a postsecondary institution under an interstate reciprocity agreement to deliver postsecondary distance education.

Sec. 3. Section 261B.8, subsection 3, Code 2014, is amended to read as follows:

3. A postsecondary registration fund is created in the state treasury under the control of the commission. Fees collected under this section shall be deposited in the ~~general~~ postsecondary registration fund of the state. Moneys in the fund are appropriated to the commission and shall be used by the commission to administer this chapter and chapter 261G. Notwithstanding section 8.33, moneys in the fund shall not revert to the general fund of the state at the end of a fiscal year. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 4. NEW SECTION. 261B.11B Voluntary registration.

A school or other postsecondary educational institution that is exempt under section 261B.11 may voluntarily register under chapter 261B in order to comply with chapter 261G or for purposes of institutional eligibility under 34 C.F.R. §600.9(a).

Sec. 5. NEW SECTION. 261G.1 Purpose.

The purpose of this chapter is to authorize the college student aid commission to enter into or recognize agreements that will create interstate reciprocity in the regulation of postsecondary distance education for the purpose of encouraging cost savings for students and greater efficiencies and effectiveness for institutions of higher education providing distance education.

Sec. 6. NEW SECTION. 261G.2 Definitions.

1. "*Commission*" means the college student aid commission created pursuant to section 261.1.

2. "*Interstate reciprocity agreement*" means an interstate reciprocity agreement entered into and administered, or recognized, by the commission in accordance with section 261.2, subsection 13.

3. "*Participating institution*" means an institution that meets the definition of subsection 4 or 5.

4. "*Participating nonresident institution*" means a postsecondary institution without a physical presence in Iowa that is offering instructional programs or courses in Iowa leading to a degree, is a member in good standing in an interstate reciprocity agreement, and is registered with and regulated by a state agency or authority that is a member in good standing in an interstate reciprocity agreement.

5. "*Participating resident institution*" means a postsecondary institution located in Iowa that is a member in good standing in an interstate reciprocity agreement and is

offering instructional programs or courses in Iowa leading to a degree, including but not limited to the following institutions:

*a.* A community college as defined in section 260C.2.

*b.* An institution of higher learning governed by the state board of regents.

*c.* An accredited private institution as defined in section 261.9.

*d.* A school or postsecondary educational institution that voluntarily registers with the commission pursuant to section 261B.11B in order to comply with this chapter or for purposes of institutional eligibility under 34 C.F.R. §600.9(a).

6. "*Physical presence*" means any of the following:

*a.* Establishing a physical location in Iowa for students to receive synchronous or asynchronous instruction.

*b.* Requiring students to physically meet in a location in Iowa for instructional purposes.

*c.* Establishing an administrative office in Iowa, for any of the following purposes:

(1) Providing information to prospective students or the general public about the institution, for enrolling students, or for providing services to enrolled students.

(2) Providing office space to instructional or noninstructional staff.

(3) Establishing an Iowa mailing address, street address, or telephone number.

Sec. 7. NEW SECTION. 261G.3 Execution of duties.

The commission shall only enter into or recognize an interstate reciprocity agreement if the agreement contains sufficient consumer protection provisions and is otherwise in the best interests of students enrolled in institutions of higher education in this state.

Sec. 8. NEW SECTION. 261G.4 Effect of agreement.

1. Notwithstanding any other provision of law to the contrary, a participating nonresident institution shall not be required to register under chapter 261B or to comply with the registration and disclosure requirements of chapter 261 or 261B or section 714.17, subsections 2 and 3, or sections 714.18, 714.20, and 714.21, or section 714.24, subsections 1, 2, 3, 4, and 5, if the provisions of an interstate reciprocity agreement prohibit such registration or compliance.

2. Notwithstanding any other provision of law to the contrary, a participating resident institution shall be

required to register under chapter 261B or to comply with the registration and disclosure requirements of chapter 261 or 261B or section 714.17, subsections 2 and 3, or sections 714.18, 714.20, and 714.21, or section 714.24, subsections 1, 2, 3, 4, and 5, if the provisions of the interstate reciprocity agreement require such registration or compliance.

3. A participating institution offering instructional programs or courses under an interstate reciprocity agreement entered into or recognized by the commission must notify the commission of any change of status relating in any way to the interstate reciprocity agreement.

4. This chapter shall not be construed to prevent the commission or the state from requiring a school or other postsecondary educational institution to register under chapter 261B or from taking enforcement action against a participating institution in any of the following circumstances:

a. A participating nonresident institution leaves or otherwise ceases to be a member in good standing in an interstate reciprocity agreement.

b. The participating institution is physically or administratively housed in a state that does not join or ceases to be a member in good standing in an interstate reciprocity agreement entered into or recognized by the commission.

c. The discovery of acts or omissions subject to the enforcement action but which occurred prior to the commission's entering into or recognizing an interstate reciprocity agreement.

5. Students attending a participating nonresident institution are ineligible for state student financial aid programs established under chapter 261.

Sec. 9. NEW SECTION. 261G.5 Postsecondary registration fees.

1. The commission shall set by rule and collect a nonrefundable initial registration fee and a renewal of registration fee from each participating institution that voluntarily registers with the commission pursuant to section 261B.11B in order to comply with this chapter or for purposes of institutional eligibility under 34 C.F.R. §600.9(a).

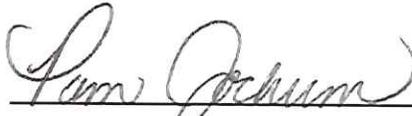
2. Fees shall be set by rule not more than once each year and shall be based upon the costs of administering this chapter.

3. Fees collected under this section shall be deposited in a separate account in the postsecondary registration fund created

pursuant to section 261B.8, subsection 3, and shall be used for purposes of administering this chapter.

Sec. 10. NEW SECTION. 261G.6 Enforcement.

This chapter shall not be construed to affect the authority of the attorney general pursuant to section 714.16.



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PAM JOCHUM

President of the Senate



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KRAIG PAULSEN

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2271, Eighty-fifth General Assembly.

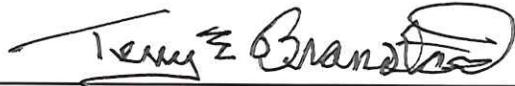


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MICHAEL E. MARSHALL

Secretary of the Senate

Approved April 3, 2014



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TERRY E. BRANSTAD

Governor