

H. 2/29/96 *Education*  
H. 3/19/96 *Do Pass*  
FILED FEB 8 1996

SENATE FILE 2157  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2056)

Passed Senate, <sup>(p.504)</sup> Date 2/28/96 Passed House, <sup>(p.1575)</sup> Date 4-11-96  
Vote: Ayes 47 Nays 0 Vote: Ayes 94 Nays 0  
Approved 4-24-96  
*Passed 4-12-96*  
*Vote 50-0*

A BILL FOR

1 An Act relating to the duties of the college student aid  
2 commission in administering the Iowa guaranteed loan program,  
3 creating a chiropractic loan revolving fund, and providing for  
4 matters related to the chiropractic graduate student  
5 forgivable loan program.

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

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

S.F. 2157

1 Section 1. Section 261.37, subsections 3 and 6, Code 1995,  
2 are amended to read as follows:

3 3. Collect an insurance premium of not more than one  
4 ~~percent-per-annum-of-the-principal-amount-of-any-loan~~  
5 ~~guaranteed, beginning with the date of disbursement and ending~~  
6 ~~one-year-after-the-date-on-which-the-borrower-expects-to~~  
7 ~~complete-the-course-of-study-for-which-the-loan-was-made~~ the  
8 amount authorized by the federal Higher Education Act of 1965.  
9 ~~Such~~ The premium shall be collected by the lender upon the  
10 disbursement of the loan and shall be remitted promptly to the  
11 commission.

12 6. To reimburse eligible lenders for ~~one-hundred-percent~~  
13 ~~of-the-principal-and-accrued-interest~~ the amount authorized by  
14 the federal Higher Education Act of 1965 on defaulted loans  
15 guaranteed by the commission upon receipt of written notice of  
16 ~~such~~ the default accompanied by evidence that the lender has  
17 exercised the required degree of diligence in efforts to  
18 collect the loan.

19 Sec. 2. Section 261.71, subsection 1, paragraph d, Code  
20 Supplement 1995, is amended to read as follows:

21 d. The student has ~~made-application-for, using the~~  
22 ~~procedures-specified-in-section-261.16, and~~ received a loan  
23 from moneys through appropriated to the college student aid  
24 ~~commission from the funds allocated for loans under this~~  
25 section program.

26 Sec. 3. Section 261.71, subsection 2, Code Supplement  
27 1995, is amended to read as follows:

28 2. Of the moneys loaned to an eligible student, for each  
29 year of up to and including four years of practice in Iowa,  
30 the an amount of equal to twenty-five percent of the original  
31 principal and the proportionate share of accrued interest, or  
32 one thousand one hundred dollars, whichever is greater, shall  
33 be forgiven. If a student fails to complete a year of  
34 practice in the state, as practice is defined by the college  
35 student aid commission, the loan amount for that year shall

1 not be forgiven. Forgivable loans made to eligible students  
2 shall not become due, for repayment purposes, until one year  
3 after the student has ~~completed-the-student's-residency~~  
4 graduated. A loan that has not been forgiven may be sold to a  
5 bank, savings and loan association, credit union, or nonprofit  
6 agency eligible to participate in the guaranteed student loan  
7 program under the federal Higher Education Act of 1965, 20  
8 U.S.C. § 1071 et seq., by the commission when the loan becomes  
9 due for repayment.

10 Sec. 4. NEW SECTION. 261.72 CHIROPRACTIC LOAN REVOLVING  
11 FUND.

12 A chiropractic loan revolving fund is created in the state  
13 treasury as a separate fund under the control of the  
14 commission. The commission shall deposit payments made by  
15 chiropractic loan recipients and the proceeds from the sale of  
16 chiropractic loans, less costs of collection of delinquent  
17 chiropractic loans, into the chiropractic loan revolving fund.  
18 Moneys credited to the fund shall be used to supplement moneys  
19 appropriated for the chiropractic forgivable loan program, for  
20 loan forgiveness to eligible chiropractic physicians and to  
21 pay for loan or interest repayment defaults by eligible  
22 chiropractic physicians. Notwithstanding section 8.33, any  
23 balance in the fund on June 30 of any fiscal year shall not  
24 revert to the general fund of the state.

25 EXPLANATION

26 This bill conforms Iowa Code language, relating to the  
27 duties of the college student aid commission, regarding the  
28 Iowa guaranteed loan program, to federal requirements. The  
29 bill also changes the chiropractic graduate student forgivable  
30 loan program to make it comparable to the osteopathic  
31 forgivable loan program, and creates a chiropractic loan  
32 revolving fund.

33 The bill permits the commission to collect an insurance  
34 premium and to reimburse eligible lenders for defaulted loans  
35 in the amount authorized by the federal Higher Education Act

1 of 1965. Current law sets the figure, while the bill ties the  
2 amount to whatever amount is authorized by the federal Higher  
3 Education Act of 1965.

4 Language creating the chiropractic graduate student  
5 forgivable loan program was enacted in Senate File 266 in  
6 1995. This bill makes the language of the program more  
7 comparable to the osteopathic forgivable loan program by  
8 adding a provision allowing the commission to sell unforgiven  
9 loans due for repayment to a financial institution eligible to  
10 participate in the guaranteed student loan program. The bill  
11 provides that a forgivable loan to an eligible student does  
12 not become due until one year after the student has graduated.

13 The bill also creates a chiropractic loan revolving fund,  
14 the language of which differs from the osteopathic loan  
15 revolving fund only in that the commission may withhold from  
16 deposit into the fund the costs of collection on delinquent  
17 chiropractic loans. The commission is directed to deposit  
18 payments made by loan recipients and the proceeds from the  
19 sale of chiropractic loans into the revolving fund, less the  
20 costs of collection of delinquent chiropractic loans.

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

## SENATE FILE 2157

S-5108

1 Amend Senate File 2157 as follows:

2 1. Page 1, by inserting after line 18 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 261.52 IOWA RESIDENTS'  
5 GUARANTEED STUDENT LOAN REPAYMENT PROGRAM.

6 1. A guaranteed student loan repayment program is  
7 established, to be administered by the commission, for  
8 Iowa resident students who meet all of the following  
9 conditions:

10 a. The student was an Iowa resident at least six  
11 months before and during the period of time of  
12 enrollment in an accredited higher education  
13 institution for which repayment of student loans is  
14 sought.

15 b. The student files, or has already filed, a  
16 state income tax return for the year in which  
17 repayment is sought.

18 c. The student attended an Iowa community college,  
19 a university under the control of the state board of  
20 regents, or an accredited private institution as  
21 defined in section 261.9.

22 d. The student graduated from one of the  
23 institutions specified in paragraph "c" on or after  
24 April 1, 1996.

25 e. The student is not receiving reimbursement or  
26 forgiveness of any student loans under any other state  
27 student loan repayment or forgiveness program.

28 f. The student has never defaulted on a loan  
29 guaranteed by the commission or by the federal  
30 government.

31 g. The student has a final cumulative grade point  
32 average of at least 2.5 on a 4.0 scale or better, or  
33 the equivalent of that grade point average.

34 2. The maximum annual reimbursement to an eligible  
35 student shall equal an amount equal to ten percent of  
36 the student's guaranteed student loan debt, provided,  
37 however, that the total reimbursement to the student  
38 shall not exceed the maximum total reimbursement  
39 amount to which the student is entitled.

40 3. The maximum total reimbursement amount per  
41 student is as follows:

42 a. For a student who has attended a two-year  
43 institution, up to five thousand dollars.

44 b. For a student who has attended a four-year  
45 institution, up to ten thousand dollars.

46 c. For a student who has attended a four-year  
47 institution, and completed a post-graduate degree, up  
48 to twenty-five thousand dollars.

49 4. The commission may adopt rules as necessary for  
50 the administration and implementation of this

S-5108

S-5108

Page 2

- 1 program."  
 2 2. Title page, line 1, by inserting after the  
 3 word "Act" the following: "establishing a guaranteed  
 4 student loan repayment program for Iowa resident  
 5 students who graduate from accredited higher education  
 6 institutions in this state and who remain residents  
 7 and file tax returns in the state of Iowa,".  
 8 3. By renumbering as necessary.

**WITHDRAWN**

. By MERLIN E. BARTZ

2/28/96 (p. 503)

S-5108 FILED FEBRUARY 22, 1996

**SENATE FILE 2157**

S-5111

- 1 Amend Senate File 2157 as follows:  
 2 1. Page 2, by inserting after line 24 the  
 3 following:  
 4 "Sec. \_\_\_\_ . Section 422.9, subsection 2, Code  
 5 Supplement 1995, is amended by adding the following  
 6 new paragraph:  
 7 NEW PARAGRAPH. g. Add the amount, not to exceed  
 8 twenty-five percent of the actual tuition the taxpayer  
 9 has paid for a course of study leading to an associate  
 10 or baccalaureate degree for each dependent attending  
 11 an accredited postsecondary institution situated in  
 12 Iowa. As used in this paragraph, "accredited  
 13 postsecondary institution" means an institution of  
 14 higher learning under the control of the state board  
 15 of regents, a community college established under  
 16 chapter 260C, or an accredited private institution as  
 17 defined in section 261.9.  
 18 Sec. \_\_\_\_ . Section 422.12, Code Supplement 1995, is  
 19 amended by adding the following new subsection:  
 20 NEW SUBSECTION. 4. For those who do not itemize  
 21 their deductions, a tuition credit equal to one and  
 22 one-quarter percent of the actual tuition the taxpayer  
 23 has paid for a course of study leading to an associate  
 24 or baccalaureate degree for each dependent attending  
 25 an accredited postsecondary institution situated in  
 26 Iowa. As used in this subsection, "accredited  
 27 postsecondary institution" means an institution of  
 28 higher learning under the control of the state board  
 29 of regents, a community college established under  
 30 chapter 260C, or an accredited private institution as  
 31 defined in section 261.9. Notwithstanding any other  
 32 provision, all other credits allowed under sections  
 33 422.12 and 422.12B shall be deducted before the  
 34 tuition credit under this subsection."  
 35 2. Title page, line 1, by inserting after the  
 36 word "Act" the following: "providing an income tax  
 37 credit or deduction for tuition paid to accredited  
 38 postsecondary institutions located in Iowa under  
 39 certain circumstances,".

By JOANN DOUGLAS

S-5111 FILED FEBRUARY 22, 1996

Out of order 2/28/96

(p. 504)

## SENATE FILE 2157

H-5865

1 Amend Senate File 2157, as passed by the Senate, as  
2 follows:

3 1. Page 2, by inserting after line 24 the  
4 following:

5 "Sec. \_\_\_\_ . Section 261B.2, subsection 1, Code  
6 1995, is amended to read as follows:

7 1. "Degree" means a postsecondary credential  
8 conferring on the recipient the title or symbol which  
9 signifies or purports to signify completion of the  
10 requirements of an academic, educational, or  
11 professional program of study beyond the secondary  
12 school level of associate, bachelor, master, or  
13 doctor, or an equivalent title, signifying educational  
14 attainment based on any one or a combination of study  
15 or the equivalent experience or achievement testing.  
16 A postsecondary degree under this chapter shall not  
17 include an honorary degree or other unearned degree.

18 Sec. \_\_\_\_ . Section 261B.2, Code 1995, is amended by  
19 adding the following new subsection:

20 NEW SUBSECTION. 1A. "Presence" means maintaining  
21 an address within Iowa.

22 Sec. \_\_\_\_ . Section 261B.3, Code 1995, is amended to  
23 read as follows:

24 261B.3 REGISTRATION.

25 1. A school that maintains or conducts one or more  
26 courses of instruction, including courses of  
27 instruction by correspondence, offered in this state  
28 or which has a presence in this state and offers  
29 courses in other states or foreign countries shall  
30 register annually with the secretary. Registration  
31 shall be made on application forms approved and  
32 supplied by the secretary and at the time and in the  
33 manner prescribed by the secretary. Upon receipt of a  
34 complete and accurate registration application, the  
35 secretary shall issue a certificate of registration an  
36 acknowledgment of document filed and send it to the  
37 school.

38 2. The secretary may request additional  
39 information as necessary to enable the secretary to  
40 determine the accuracy and completeness of the  
41 information contained in the registration application.  
42 If the secretary believes that false, misleading, or  
43 incomplete information has been submitted in  
44 connection with an application for registration, the  
45 secretary may deny registration. The secretary shall  
46 conduct a hearing on the denial if a hearing is  
47 requested by a school. The secretary may withhold a  
48 certificate of registration an acknowledgment of  
49 document filed pending the outcome of the hearing.  
50 Upon a finding after the hearing that information

H-5865

-1-

H-5865

Page 2

1 contained in the registration application is false,  
 2 misleading, or incomplete, the secretary shall deny a  
 3 ~~certificate-of-registration~~ an acknowledgment of  
 4 document filed to the school. The secretary shall  
 5 make the final decision on each registration. The  
 6 However, the decision of the secretary is subject to  
 7 judicial review in accordance with section 17A.19.

8 3. The secretary shall utilize the advisory  
 9 committee created in section 261B.10 in reviewing new  
 10 and continuing registrations.

11 4. The secretary shall adopt rules under chapter  
 12 17A for the implementation of this chapter.

13 Sec. \_\_\_\_ . NEW SECTION. 261B.3A REQUIREMENT.

14 A school offering courses or programs of study  
 15 leading to a degree in the state of Iowa shall be  
 16 accredited by an agency or organization approved or  
 17 recognized by the United States department of  
 18 education or a successor agency and be approved for  
 19 operation by the appropriate state agencies in all  
 20 other states in which it operates or maintains a  
 21 presence. A school is exempt from this section if the  
 22 programs offered by the school are limited to  
 23 nondegree specialty vocational training programs.

24 Sec. \_\_\_\_ . Section 261B.4, subsections 2 and 11,  
 25 Code 1995, are amended to read as follows:

26 2. The principal location of the school in this  
 27 state, in other states, and in foreign countries, and  
 28 the location of the place or places in this state, in  
 29 other states, and in foreign countries where  
 30 instruction is likely to be given.

31 11. The names or titles and a description of the  
 32 courses and degrees to be offered in this state.

33 Sec. \_\_\_\_ . Section 261B.4, Code 1995, is amended by  
 34 adding the following new subsection:

35 NEW SUBSECTION. 13. The academic and  
 36 instructional methodologies and delivery systems to be  
 37 used by the school and the extent to which the school  
 38 anticipates each methodology and delivery system will  
 39 be used, including but not limited to, classroom  
 40 instruction, correspondence, electronic  
 41 telecommunications, independent study, and portfolio  
 42 experience evaluation.

43 Sec. \_\_\_\_ . Section 261B.8, Code 1995, is amended to  
 44 read as follows:

45 261B.8 REGISTRATION FEES.

46 The secretary shall collect an initial registration  
 47 fee of fifty one thousand dollars and an annual  
 48 renewal of registration fee of twenty-five five  
 49 hundred dollars from each registered school.

50 Sec. \_\_\_\_ . Section 261B.10, Code 1995, is amended

H-5865

Page 3

- 1 to read as follows:
- 2 261B.10 ADVISORY COMMITTEE.
- 3 The state advisory committee for postsecondary
- 4 school registration is created. The committee shall
- 5 consist of the secretary of state and seven members
- 6 appointed by the coordinating council for post-high
- 7 school education. Members shall serve for staggered
- 8 four-year terms and shall include representatives from
- 9 public and private two-year and four-year colleges,
- 10 universities, and specialized and vocational schools.
- 11 The committee shall meet at least annually to
- 12 advise the secretary and other agencies in matters
- 13 relating to the administration of this chapter and to
- 14 serve as a resource and advisory board to the
- 15 secretary as needed. The secretary shall serve as
- 16 chairperson of the advisory committee and may call
- 17 meetings and set the agenda as needed.
- 18 Sec. \_\_\_\_ . Section 261B.11, Code 1995, is amended
- 19 by adding the following new subsections:
- 20 NEW SUBSECTION. 9. Postsecondary educational
- 21 institutions licensed by the state of Iowa to conduct
- 22 business in the state.
- 23 NEW SUBSECTION. 10. Accredited higher education
- 24 institutions that meet the criteria established under
- 25 section 261.92, subsection 1."
- 26 2. Title page, line 1, by inserting after the
- 27 word "to" the following: "postsecondary educational
- 28 programs,".
- 29 3. Title page, line 3, by striking the word
- 30 "and".
- 31 4. Title page, line 5, by inserting after the
- 32 word "program" the following: ", modifying the
- 33 registration requirements for postsecondary schools,
- 34 and increasing registration fees".
- 35 5. By renumbering as necessary.

By RANTS of Woodbury

H-5865 FILED APRIL 8, 1996

*adopted 4-11-96*

*P. 1575*

HOUSE AMENDMENT TO  
SENATE FILE 2157

S-5728

1 Amend Senate File 2157, as passed by the Senate, as  
2 follows:

3 1. Page 2, by inserting after line 24 the  
4 following:

5 "Sec. \_\_\_\_ . Section 261B.2, subsection 1, Code  
6 1995, is amended to read as follows:

7 1. "Degree" means a postsecondary credential  
8 conferring on the recipient the title or symbol which  
9 signifies or purports to signify completion of the  
10 requirements of an academic, educational, or  
11 professional program of study beyond the secondary  
12 school level of associate, bachelor, master, or  
13 doctor, or an equivalent title, signifying educational  
14 attainment based on any one or a combination of study  
15 or the equivalent experience or achievement testing.  
16 A postsecondary degree under this chapter shall not  
17 include an honorary degree or other unearned degree.

18 Sec. \_\_\_\_ . Section 261B.2, Code 1995, is amended by  
19 adding the following new subsection:

20 NEW SUBSECTION. 1A. "Presence" means maintaining  
21 an address within Iowa.

22 Sec. \_\_\_\_ . Section 261B.3, Code 1995, is amended to  
23 read as follows:

24 261B.3 REGISTRATION.

25 1. A school that maintains or conducts one or more  
26 courses of instruction, including courses of  
27 instruction by correspondence, offered in this state  
28 or which has a presence in this state and offers  
29 courses in other states or foreign countries shall  
30 register annually with the secretary. Registration  
31 shall be made on application forms approved and  
32 supplied by the secretary and at the time and in the  
33 manner prescribed by the secretary. Upon receipt of a  
34 complete and accurate registration application, the  
35 secretary shall issue a certificate of registration an  
36 acknowledgment of document filed and send it to the  
37 school.

38 2. The secretary may request additional  
39 information as necessary to enable the secretary to  
40 determine the accuracy and completeness of the  
41 information contained in the registration application.  
42 If the secretary believes that false, misleading, or  
43 incomplete information has been submitted in  
44 connection with an application for registration, the  
45 secretary may deny registration. The secretary shall  
46 conduct a hearing on the denial if a hearing is  
47 requested by a school. The secretary may withhold a  
48 certificate of registration an acknowledgment of  
49 document filed pending the outcome of the hearing.  
50 Upon a finding after the hearing that information

S-5728

-1-

S-5728

Page 2

1 contained in the registration application is false,  
2 misleading, or incomplete, the secretary shall deny a  
3 certificate-of-registration an acknowledgment of  
4 document filed to the school. The secretary shall  
5 make the final decision on each registration. The  
6 However, the decision of the secretary is subject to  
7 judicial review in accordance with section 17A.19.

8 3. The secretary shall utilize the advisory  
9 committee created in section 261B.10 in reviewing new  
10 and continuing registrations.

11 4. The secretary shall adopt rules under chapter  
12 17A for the implementation of this chapter.

13 Sec. \_\_\_\_ . NEW SECTION. 261B.3A REQUIREMENT.

14 A school offering courses or programs of study  
15 leading to a degree in the state of Iowa shall be  
16 accredited by an agency or organization approved or  
17 recognized by the United States department of  
18 education or a successor agency and be approved for  
19 operation by the appropriate state agencies in all  
20 other states in which it operates or maintains a  
21 presence. A school is exempt from this section if the  
22 programs offered by the school are limited to  
23 nondegree specialty vocational training programs.

24 Sec. \_\_\_\_ . Section 261B.4, subsections 2 and 11,  
25 Code 1995, are amended to read as follows:

26 2. The principal location of the school in this  
27 state, in other states, and in foreign countries, and  
28 the location of the place or places in this state, in  
29 other states, and in foreign countries where  
30 instruction is likely to be given.

31 11. The names or titles and a description of the  
32 courses and degrees to be offered in-this-state.

33 Sec. \_\_\_\_ . Section 261B.4, Code 1995, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 13. The academic and  
36 instructional methodologies and delivery systems to be  
37 used by the school and the extent to which the school  
38 anticipates each methodology and delivery system will  
39 be used, including but not limited to, classroom  
40 instruction, correspondence, electronic  
41 telecommunications, independent study, and portfolio  
42 experience evaluation.

43 Sec. \_\_\_\_ . Section 261B.8, Code 1995, is amended to  
44 read as follows:

45 261B.8 REGISTRATION FEES.

46 The secretary shall collect an initial registration  
47 fee of fifty one thousand dollars and an annual  
48 renewal of registration fee of twenty-five five  
49 hundred dollars from each registered school.

50 Sec. \_\_\_\_ . Section 261B.10, Code 1995, is amended

S-5728

S-5728

Page 3

1 to read as follows:

2 261B.10 ADVISORY COMMITTEE.

3 The state advisory committee for postsecondary  
4 school registration is created. The committee shall  
5 consist of the secretary of state and seven members  
6 appointed by the coordinating council for post-high  
7 school education. Members shall serve for staggered  
8 four-year terms and shall include representatives from  
9 public and private two-year and four-year colleges,  
10 universities, and specialized and vocational schools.

11 The committee shall meet at least annually to  
12 advise the secretary and other agencies in matters  
13 relating to the administration of this chapter and to  
14 serve as a resource and advisory board to the  
15 secretary as needed. The secretary shall serve as  
16 chairperson of the advisory committee and may call  
17 meetings and set the agenda as needed.

18 Sec. \_\_\_\_ . Section 261B.11, Code 1995, is amended  
19 by adding the following new subsections:

20 NEW SUBSECTION. 9. Postsecondary educational  
21 institutions licensed by the state of Iowa to conduct  
22 business in the state.

23 NEW SUBSECTION. 10. Accredited higher education  
24 institutions that meet the criteria established under  
25 section 261.92, subsection 1."

26 2. Title page, line 1, by inserting after the  
27 word "to" the following: "postsecondary educational  
28 programs,".

29 3. Title page, line 3, by striking the word  
30 "and".

31 4. Title page, line 5, by inserting after the  
32 word "program" the following: ", modifying the  
33 registration requirements for postsecondary schools,  
34 and increasing registration fees".

35 5. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5728 FILED APRIL 11, 1996

*Senate Concurred*  
4-12-96  
(p. 1354)

Fink  
Kibbie  
Rensink

Succeeded By  
SF/HF 2157

SSB-2056  
Education

SENATE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
EDUCATION BILL BY  
CHAIRPERSON CONNOLLY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to the duties of the college student aid  
2 commission in administering the Iowa guaranteed loan program,  
3 creating a chiropractic loan revolving fund, and providing for  
4 matters related to the chiropractic graduate student  
5 forgivable loan program.

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

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Section 1. Section 261.37, subsections 3 and 6, Code 1995,  
2 are amended to read as follows:

3 3. ~~Collect an insurance premium of not more than one~~  
4 ~~percent-per-annum-of-the-principal-amount-of-any-loan~~  
5 ~~guaranteed, beginning with the date of disbursement and ending~~  
6 ~~one-year-after-the-date-on-which-the-borrower-expects-to~~  
7 ~~complete-the-course-of-study-for-which-the-loan-was-made~~ the  
8 amount authorized by the federal Higher Education Act of 1965.  
9 Such The premium shall be collected by the lender upon the  
10 disbursement of the loan and shall be remitted promptly to the  
11 commission.

12 6. To reimburse eligible lenders for ~~one-hundred-percent~~  
13 ~~of-the-principal-and-accrued-interest~~ the amount authorized by  
14 the federal Higher Education Act of 1965 on defaulted loans  
15 guaranteed by the commission upon receipt of written notice of  
16 such the default accompanied by evidence that the lender has  
17 exercised the required degree of diligence in efforts to  
18 collect the loan.

19 Sec. 2. Section 261.71, subsection 1, paragraph d, Code  
20 Supplement 1995, is amended to read as follows:

21 d. The student has ~~made-application-for, using-the~~  
22 ~~procedures-specified-in-section-261.16, and~~ received moneys  
23 through the college student aid commission from the funds  
24 allocated for loans under this section.

25 Sec. 3. Section 261.71, subsection 2, Code Supplement  
26 1995, is amended to read as follows:

27 2. Of the moneys loaned to an eligible student, for each  
28 year of up to and including four years of practice in Iowa,  
29 the an amount of equal to twenty-five percent of the original  
30 principal and the proportionate share of accrued interest, or  
31 one thousand one hundred dollars, whichever is greater, shall  
32 be forgiven. If a student fails to complete a year of  
33 practice in the state, as practice is defined by the college  
34 student aid commission, the loan amount for that year shall  
35 not be forgiven. Forgivable loans made to eligible students



1 amount to whatever amount is authorized by the federal Higher  
2 Education Act of 1965.

3 Language creating the chiropractic graduate student  
4 forgivable loan program was enacted in Senate File 266 in  
5 1995. This bill makes the language of the program more  
6 comparable to the osteopathic forgivable loan program by  
7 adding a provision allowing the commission to sell unforgiven  
8 loans due for repayment to a financial institution eligible to  
9 participate in the guaranteed student loan program.

10 The bill also creates a chiropractic loan revolving fund,  
11 the language of which differs from the osteopathic loan  
12 revolving fund only in that the commission may withhold from  
13 deposit into the fund the costs of collection on delinquent  
14 chiropractic loans. The commission is directed to deposit  
15 payments made by loan recipients and the proceeds from the  
16 sale of chiropractic loans into the revolving fund, less the  
17 costs of collection of delinquent chiropractic loans.

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

SENATE FILE 2157

AN ACT

RELATING TO POSTSECONDARY EDUCATIONAL PROGRAMS, THE DUTIES OF THE COLLEGE STUDENT AID COMMISSION IN ADMINISTERING THE IOWA GUARANTEED LOAN PROGRAM, CREATING A CHIROPRACTIC LOAN REVOLVING FUND, PROVIDING FOR MATTERS RELATED TO THE CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM, MODIFYING THE REGISTRATION REQUIREMENTS FOR POSTSECONDARY SCHOOLS, AND INCREASING REGISTRATION FEES.

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

Section 1. Section 261.37, subsections 3 and 6, Code 1995, are amended to read as follows:

3. Collect an insurance premium of not more than ~~one percent-per-annum-of-the-principal-amount-of-any-loan guaranteed, beginning-with-the-date-of-disbursement-and-ending one-year-after-the-date-on-which-the-borrower-expects-to complete-the-course-of-study-for-which-the-loan-was-made~~ the amount authorized by the federal Higher Education Act of 1965. Such ~~The~~ premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.

6. To reimburse eligible lenders for ~~one-hundred-percent of-the-principal-and-accrued-interest~~ the amount authorized by the federal Higher Education Act of 1965 on defaulted loans guaranteed by the commission upon receipt of written notice of ~~such~~ the default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.

Sec. 2. Section 261.71, subsection 1, paragraph d, Code Supplement 1995, is amended to read as follows:

d. The student has ~~made-application-for, using-the procedures-specified-in-section-261-167-and~~ received a loan

~~from moneys through appropriated to the college student aid commission from-the-funds-allocated for loans-under this section program.~~

Sec. 3. Section 261.71, subsection 2, Code Supplement 1995, is amended to read as follows:

2. Of the moneys loaned to an eligible student, for each year of up to and including four years of practice in Iowa, the an amount of equal to twenty-five percent of the original principal and the proportionate share of accrued interest, or one thousand one hundred dollars, whichever is greater, shall be forgiven. If a student fails to complete a year of practice in the state, as practice is defined by the college student aid commission, the loan amount for that year shall not be forgiven. Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has completed-the-student's-residency graduated. A loan that has not been forgiven may be sold to a bank, savings and loan association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loan becomes due for repayment.

Sec. 4. NEW SECTION. 261.72 CHIROPRACTIC LOAN REVOLVING FUND.

A chiropractic loan revolving fund is created in the state treasury as a separate fund under the control of the commission. The commission shall deposit payments made by chiropractic loan recipients and the proceeds from the sale of chiropractic loans, less costs of collection of delinquent chiropractic loans, into the chiropractic loan revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the chiropractic forgivable loan program, for loan forgiveness to eligible chiropractic physicians and to pay for loan or interest repayment defaults by eligible chiropractic physicians. Notwithstanding section 8.33, any

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

Sec. 5. Section 261B.2, subsection 1, Code 1995, is amended to read as follows:

1. "Degree" means a postsecondary credential conferring on the recipient the title or symbol which signifies or purports to signify completion of the requirements of an academic, educational, or professional program of study beyond the secondary school level of associate, bachelor, master, or doctor, or an equivalent title, signifying educational attainment based on any one or a combination of study or the equivalent experience or achievement testing. A postsecondary degree under this chapter shall not include an honorary degree or other unearned degree.

Sec. 6. Section 261B.2, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "Presence" means maintaining an address within Iowa.

Sec. 7. Section 261B.3, Code 1995, is amended to read as follows:

261B.3 REGISTRATION.

1. A school that maintains or conducts one or more courses of instruction, including courses of instruction by correspondence, offered in this state or which has a presence in this state and offers courses in other states or foreign countries shall register annually with the secretary. Registration shall be made on application forms approved and supplied by the secretary and at the time and in the manner prescribed by the secretary. Upon receipt of a complete and accurate registration application, the secretary shall issue a certificate-of-registration an acknowledgment of document filed and send it to the school.

2. The secretary may request additional information as necessary to enable the secretary to determine the accuracy and completeness of the information contained in the

registration application. If the secretary believes that false, misleading, or incomplete information has been submitted in connection with an application for registration, the secretary may deny registration. The secretary shall conduct a hearing on the denial if a hearing is requested by a school. The secretary may withhold a certificate-of-registration an acknowledgment of document filed pending the outcome of the hearing. Upon a finding after the hearing that information contained in the registration application is false, misleading, or incomplete, the secretary shall deny a certificate-of-registration an acknowledgment of document filed to the school. The secretary shall make the final decision on each registration. The However, the decision of the secretary is subject to judicial review in accordance with section 17A.19.

3. The secretary shall utilize the advisory committee created in section 261B.10 in reviewing new and continuing registrations.

4. The secretary shall adopt rules under chapter 17A for the implementation of this chapter.

Sec. 8. NEW SECTION. 261B.3A REQUIREMENT.

A school offering courses or programs of study leading to a degree in the state of Iowa shall be accredited by an agency or organization approved or recognized by the United States department of education or a successor agency and be approved for operation by the appropriate state agencies in all other states in which it operates or maintains a presence. A school is exempt from this section if the programs offered by the school are limited to nondegree specialty vocational training programs.

Sec. 9. Section 261B.4, subsections 2 and 11, Code 1995, are amended to read as follows:

2. The principal location of the school in this state, in other states, and in foreign countries, and the location of the place or places in this state, in other states, and in foreign countries where instruction is likely to be given.

11. The names or titles and a description of the courses and degrees to be offered in this state.

Sec. 10. Section 261B.4, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 13. The academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used, including but not limited to, classroom instruction, correspondence, electronic telecommunications, independent study, and portfolio experience evaluation.

Sec. 11. Section 261B.8, Code 1995, is amended to read as follows:

261B.8 REGISTRATION FEES.

The secretary shall collect an initial registration fee of fifty one thousand dollars and an annual renewal of registration fee of twenty-five five hundred dollars from each registered school.

Sec. 12. Section 261B.10, Code 1995, is amended to read as follows:

261B.10 ADVISORY COMMITTEE.

The state advisory committee for postsecondary school registration is created. The committee shall consist of the secretary of state and seven members appointed by the coordinating council for post-high school education. Members shall serve for staggered four-year terms and shall include representatives from public and private two-year and four-year colleges, universities, and specialized and vocational schools.

The committee shall meet at least annually to advise the secretary and other agencies in matters relating to the administration of this chapter and to serve as a resource and advisory board to the secretary as needed. The secretary shall serve as chairperson of the advisory committee and may call meetings and set the agenda as needed.

Sec. 13. Section 261B.11, Code 1995, is amended by adding the following new subsections:

NEW SUBSECTION. 9. Postsecondary educational institutions licensed by the state of Iowa to conduct business in the state.

NEW SUBSECTION. 10. Accredited higher education institutions that meet the criteria established under section 261.92, subsection 1.

---

LEONARD L. BOSWELL  
President of the Senate

---

RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2157, Seventy-sixth General Assembly.

---

JOHN F. DWYER  
Secretary of the Senate

Approved 4/24/96, 1996

---

TERRY E. BRANSTAD  
Governor