

Senate Study Bill 1020 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
EDUCATION/COLLEGE STUDENT
AID COMMISSION BILL)

A BILL FOR

1 An Act relating to the registration of certain postsecondary
2 schools by the college student aid commission, making an
3 appropriation, and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261B.2, subsections 2 and 3, Code 2011,
2 are amended to read as follows:

3 2. "*Degree*" means a postsecondary credential conferring
4 on the recipient the title of associate, bachelor, master,
5 or doctor, or an equivalent title, ~~signifying educational~~
6 ~~attainment based on any one or a combination of study or the~~
7 ~~equivalent experience or achievement testing.~~ A postsecondary
8 degree under this chapter shall not include an honorary degree
9 or other unearned degree.

10 3. "*Presence*" means ~~maintaining an address within Iowa~~
11 a physical location in Iowa from which a school offers any
12 portion of a course of instruction in person or by distance
13 education or correspondence study, or conducts advertising,
14 recruiting, enrollment, program coordination, administration,
15 or any other activity related to the school's operations.

16 Sec. 2. Section 261B.2, Code 2011, is amended by adding the
17 following new subsections:

18 NEW SUBSECTION. 2A. "*Offered in this state*" means the
19 school offers any portion of a course of instruction at a
20 physical location in this state.

21 NEW SUBSECTION. 2B. "*Postsecondary credential*" means
22 a degree, diploma, or certificate signifying postsecondary
23 educational attainment following completion of a postsecondary
24 instructional program. A postsecondary credential conferred
25 under this chapter shall not include an honorary credential or
26 other unearned credential. A postsecondary credential under
27 this chapter does not mean a certificate of completion of a
28 course of instruction.

29 Sec. 3. Section 261B.2, subsection 4, paragraph b, Code
30 2011, is amended to read as follows:

31 *b.* Provides a postsecondary instructional program ~~or course~~
32 leading to a degree postsecondary credential.

33 Sec. 4. Section 261B.3, Code 2011, is amended to read as
34 follows:

35 **261B.3 Registration.**

1 1. Except as provided in section 261B.11, a school ~~that~~
2 shall register with the commission if the school maintains or
3 conducts one or more courses of instruction offered in this
4 state, including courses of instruction by correspondence or
5 other distance delivery method, offered in this state or which
6 if the school has a presence in this state and offers courses
7 in this state or in other states or foreign countries shall
8 register with the commission.

9 a. Registrations shall be renewed every four years or
10 upon any substantive change in location, program offerings,
11 or accreditation. A school makes a substantive change in a
12 program offering when the school proposes to offer or modify
13 a program that requires the approval of the state board of
14 education or any other state agency authorized to approve the
15 school or its program in this state.

16 b. Registration shall be made on application forms approved
17 and ~~supplied~~ made available by the commission and at the time
18 and in the manner prescribed by the commission. Upon receipt
19 of a complete and accurate registration application, the
20 commission shall issue an acknowledgment of document filed and
21 send it to the school.

22 2. The commission may ~~request~~ require a school to provide
23 additional information as the commission deems necessary
24 to enable the commission to determine the accuracy and
25 completeness of the information contained in the evaluate a
26 school's registration application.

27 3. If the commission believes that false, misleading,
28 or incomplete information has been submitted in connection
29 with an application for registration, the commission may deny
30 registration. The commission shall conduct a hearing on the
31 denial if a hearing is requested by a school. The commission
32 may withhold an acknowledgment of document filed pending the
33 outcome of the hearing. Upon a finding after the hearing
34 that information contained in the registration application is
35 false, misleading, or incomplete, the commission shall deny an

1 acknowledgment of document filed to the school. The commission
2 shall make the final decision on each registration. However,
3 the decision of the commission is subject to judicial review in
4 accordance with section 17A.19.

5 ~~3.~~ 4. The commission shall adopt rules under chapter 17A
6 for the implementation of this chapter.

7 Sec. 5. Section 261B.3A, Code 2011, is amended to read as
8 follows:

9 **261B.3A Requirements.**

10 1. In order to register, a school shall be accredited
11 by an agency or organization approved or recognized by the
12 United States department of education or a successor agency,
13 be approved by any other state agency authorized to approve
14 the school in this state, and, subsequently, be approved for
15 operation by the commission.

16 2. A practitioner preparation program, as defined in
17 section 272.1, operated by a school that applies to register
18 the program in accordance with this chapter shall, in order to
19 register, be accredited by an agency or organization approved
20 or recognized by the United States department of education or a
21 successor agency, be approved by the state board of education
22 pursuant to section 256.7, subsection 3, and, subsequently, be
23 approved for operation by the commission.

24 3. The commission may grant a provisional registration to
25 a school that is not accredited by an agency or organization
26 that is recognized by the United States department of education
27 or its successor agency. The commission shall determine
28 the duration of the provisional registration. During the
29 provisional registration period, the school shall, at six-month
30 intervals, submit to the commission documentation of its
31 progress toward achieving accreditation. The commission may
32 renew the school's provisional registration at its discretion
33 based on documentation that the school is making progress
34 toward accreditation.

35 ~~3.~~ 4. Nothing in this chapter shall be construed to exempt

1 a school from the requirements of chapter 490 or 491.

2 Sec. 6. Section 261B.4, subsections 5, 11, and 13, Code
3 2011, are amended to read as follows:

4 5. The ~~degrees~~ postsecondary credentials granted by the
5 school.

6 11. The names or titles and a description of the courses and
7 ~~degrees~~ postsecondary credentials to be offered.

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

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

16 **261B.7 Unauthorized representation.**

17 ~~Neither a~~ A school nor its or a school's officials or
18 employees shall not advertise or represent that the school is
19 approved or accredited by the commission or the state of Iowa
20 ~~nor shall it use the registration as a.~~ However, a registered
21 school shall reference in promotional materials that the school
22 is registered by the commission on behalf of the state of Iowa
23 and provide the commission's contact information for students
24 who wish to register a complaint about the school.

25 Sec. 8. Section 261B.8, subsections 1 and 3, Code 2011, are
26 amended to read as follows:

27 1. The commission shall set by rule and collect, as
28 applicable, a nonrefundable application fee from each
29 registration applicant, and an initial registration fee, a
30 registration amendment fee, and a renewal of registration fee
31 from each registered school.

32 3. a. A postsecondary registration fund is created in
33 the state treasury under the control of the commission.

34 Fees collected under this section shall be deposited in the
35 ~~general~~ postsecondary registration fund of the state and are

1 appropriated to the commission for purposes of administering
2 this chapter.

3 b. The moneys credited to the postsecondary registration
4 fund are not subject to section 8.33, and moneys in the fund
5 shall not be transferred, used, obligated, appropriated,
6 or otherwise encumbered except as provided by law.
7 Notwithstanding section 12C.7, subsection 2, interest or
8 earnings on moneys deposited in the postsecondary registration
9 fund shall be credited to the fund.

10 Sec. 9. Section 261B.9, subsection 5, Code 2011, is amended
11 to read as follows:

12 5. Whether the postsecondary credential ~~or certificate~~
13 issued, awarded, or credited to a student upon completion
14 of the course or the fact of completion of the course is
15 applicable toward a degree granted by the school and, if so,
16 under what circumstances the application will be made.

17 Sec. 10. Section 261B.11, subsections 1, 2, 4, 7, 9, and 11,
18 Code 2011, are amended to read as follows:

19 1. Schools and educational programs conducted by firms,
20 corporations, or persons solely for the training of their own
21 employees.

22 2. Apprentice or other training programs provided by labor
23 unions solely to members or applicants for membership.

24 4. Seminars, refresher courses, and programs of instruction
25 sponsored by professional, business, or farming organizations
26 or associations solely for the members and employees of members
27 of these organizations or associations.

28 7. Schools or courses of instruction or courses of
29 training that are offered by a vendor solely to the purchaser
30 or prospective purchaser of the vendor's product when the
31 objective of the school or course is to enable the purchaser
32 or the purchaser's employees to gain skills and knowledge to
33 enable the purchaser to use the product.

34 9. Postsecondary educational institutions licensed by the
35 state of Iowa under section 157.8 or 158.7 prior to July 1,

1 2009, to ~~conduct business~~ operate as a school of cosmetology
2 arts and sciences or a barber school in the state.

3 11. Postsecondary educational institutions offering
4 ~~programs limited to nondegree~~ specialty vocational training
5 programs for which the school does not award a postsecondary
6 credential.

7 Sec. 11. NEW SECTION. 261B.11A Ineligibility for state
8 student financial 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 EXPLANATION

16 This bill modifies Code chapter 261B which regulates the
17 registration of postsecondary schools by the college student
18 aid commission. Modifications include provisions which provide
19 that students attending such schools are ineligible for state
20 student financial aid programs, authorize the commission to
21 require additional information from schools, establish a new
22 registration amendment fee, and establish a postsecondary
23 registration fund comprised of the registration fees collected
24 by the commission. The moneys in the fund are appropriated to
25 the commission for purposes of administering the chapter.

26 The bill specifies that schools that maintain or conduct one
27 or more courses of instruction offered in this state or which
28 have a presence in this state and offer courses in this state
29 or other states or foreign countries are required to register
30 with the commission. The Code chapter currently includes
31 exceptions for certain schools and educational programs.

32 Currently, registrations must be renewed every four years
33 and upon substantive change in location or accreditation. To
34 this renewal requirement, the bill adds that registrations
35 must also be renewed upon any substantive change in program

1 offering. A substantive change in program offering is defined
2 as when a school proposes to offer a program that requires the
3 approval of the state board of education or other state agency.

4 The bill authorizes the commission to require additional
5 information from a school if the additional information is
6 deemed necessary in order to evaluate the school's registration
7 application. A registered school's promotional materials shall
8 reference that it is registered with the commission and shall
9 include the commission's contact information for students who
10 wish to register a complaint about the school.

11 The commission is also authorized to grant a provisional
12 registration, the duration of which is to be determined by the
13 commission, to a school that is not accredited by an agency or
14 organization recognized by the U.S. department of education.
15 During the provisional registration period, the school must
16 submit to the commission, at six-month intervals, documentation
17 regarding its progress toward achieving accreditation. The
18 commission may renew the provisional registration at its
19 discretion based on documentation that the school is making
20 progress toward accreditation.

21 The bill prohibits schools required to register with the
22 commission from offering state aid or advertising that state
23 aid is or may be available to students attending the school.

24 The bill makes changes to the Code chapter's definitions of
25 "degree", "presence", and "school" and adds definitions for
26 "offered in this state" and "postsecondary credential".

27 The Code currently authorizes the commission to issue a
28 cease and desist order to a school it believes is in violation
29 of Code chapter 261B and to seek judicial enforcement of the
30 order. Also, a violation of the Code chapter constitutes
31 an unlawful practice under Code section 714.16, relating to
32 consumer fraud.