

# COLLEGE STUDENT AID COMMISSION [283]

## Amended Notice of Intended Action

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby gives Notice of Intended Action to amend Chapter 21, "Postsecondary registration," Iowa Administrative Code.

The proposed amendments to Chapter 21 provide changes necessary to implement policies that schools must follow to participate in an interstate reciprocity agreement under which the Commission is an approved participant under Iowa Code Chapter 261G. In addition, the amendments update policies for schools that must register under Iowa Code Chapter 261B.

Notice of Intended Action was published in the Iowa Administrative Bulletin on September 16, 2015, as **ARC 2143C**. The Commission received comments from four entities during the comment period and has held several discussions about the Notice of Intended Action. This Amended Notice of Intended Action takes those comments into consideration and creates a single section in the rule to address the registration process specifically for schools seeking approval to participate in a commission-

Interested persons may submit comments orally or in writing by 4:30 p.m. on January 26, 2016, to the Executive Director, Iowa College Student Aid Commission, 430 East Grand Avenue, Third Floor, Des Moines, Iowa 50309-1920. Written comments also may be sent by fax (515)725-3401, by e-mail to [Julie.leeper@iowa.gov](mailto:Julie.leeper@iowa.gov), or via the Iowa Administrative Rules Web site at <https://rules.iowa.gov>.

The Commission does not intend to grant waivers under the provisions of these rules.

After analysis and review of this rule making, the Commission finds that there is no impact on jobs.

These amendments are intended to implement Iowa Code chapter 261, 261B, and 261G.

The following amendments are proposed.

### CHAPTER 21 APPROVAL OF POSTSECONDARY SCHOOLS

**283—21.1(261B) 283—21.1(261B,261G) Postsecondary registration and participation in the commission-approved reciprocity agreement.** The college student aid commission examines college and university applications for registration to operate ~~operation~~ in Iowa and monitors schools approved by the commission to operate in the state. The commission also examines Iowa college and university applications for participation in an interstate reciprocity agreement under which the commission is an approved participant.

**283—21.2(261B,261G) Definitions.** As used in this chapter:

"Interstate reciprocity agreement administrator" means the entity with which the commission has an agreement to participate in interstate reciprocity under Iowa Code 261G.

"Registration" means the process by which a school must seek, or voluntarily seeks, the commission's explicit approval to operate in Iowa or offer courses of instruction to Iowans under Iowa Code 261B.

"School" means a postsecondary educational institution that applies to register or is currently

registered to offer all or a portion of a program in Iowa under Iowa Code 261B. School also means a postsecondary educational institution that is seeking to participate in the commission's approved interstate reciprocity agreement under Iowa Code 261G, or that is a "participating resident institution" as defined in Iowa Code section 261G.2. A postsecondary educational institution that maintains a physical location outside of the state of Iowa and that must register under Iowa Code chapter 261B to operate at a physical location in this state is not a school that is eligible to participate in the commission's approved interstate reciprocity agreement under Iowa Code 261G.

**~~283—21.2(261B)~~ 283—21.3(261B,261G) Approval Registration approval criteria.** The college student aid commission ~~approves~~ will approve an applicant school that completes a registration application provided by the commission and meets all of the following criteria:

~~21.2(1)~~ 21.3(1) The applicant school is accredited by an agency recognized by the United States Department of Education or its successor agency. The applicant school shall certify to the commission the school's status with the accrediting agency at the time of the application and provide information about any pending or final action that may affect the school's status with its accrediting agency.

As applicable, the applicant school shall provide the commission the name of any programmatic accrediting agency recognized by the United States Department of Education that accredits the specific programs the applicant school proposes to offer under its registration.

~~21.2(2)~~ 21.3(2) The applicant school certifies to the commission that the applicant school's approval to operate in a state has not been revoked by the state, the school has not been sanctioned by a state within a year prior to the date of its application, and the school is not under investigation or bound by the terms of a judgment issued by a state's attorney general or other enforcement authority.

~~21.2(3)~~ 21.3(3) The applicant school certifies that it is not subject to a limitation, suspension or termination order issued by the United States Department of Education or its successor agency. The applicant school shall provide the commission with a copy of the school's current program participation agreement with the United States Department of Education.

~~21.2(4)~~ 21.3(4) The applicant school complies with Iowa Code section 261B.7, which prohibits a school from advertising that the school is approved or accredited by the commission or the state of Iowa. However, an applicant school must demonstrate the method by which it will disclose that the school is registered with the commission and provide the commission's contact information for students who wish to inquire about the school or file a complaint.

~~21.2(5)~~ 21.3(5) The applicant school provides the commission with institutional policies adopted by the school that comply with the requirements of Iowa Code section 261.9(1) "e" to "h."

a. For a program in which a student's academic progress is measured only in clock hours, the school shall provide a full refund of tuition and mandatory fees to a student who withdraws and who requests that benefit under Iowa Code section 261.9(1) "g" for the payment period in which the student withdrew. The payment period is determined under rules promulgated by the United States Department of Education for the disbursement of federal Stafford loan funds.

b. The employee policy for reporting suspected incidents of child physical or sexual abuse required by Iowa Code section 261.9(1) "h" shall apply to individuals the school compensates to conduct activities on the school's behalf at an Iowa location.

~~21.2(6)~~ 21.3(6) If required by the commission, the applicant school files annual reports that the commission also requires from all Iowa colleges and universities.

~~21.2(7)~~ 21.3(7) The applicant school demonstrates financial viability by providing a copy of the institution's most recent audit that was prepared by a certified public accounting firm no more than 12 months prior to the date of the application and that provides an unqualified opinion. An applicant school must provide the auditor's report as an attachment to the registration application, which is posted on the commission's Internet site. However, the school may provide financial statements associated with the audit in a separate electronic file that is marked "confidential." Financial statements that a school identifies as "confidential" will not be treated as public records under Iowa Code chapter 22.

~~21.2(8)~~ 21.3(8) The applicant school provides a description of the learning resources it offers to students, including appropriate library and other support services ~~requisite for the school's programs~~ the

school provides to its students.

~~21.2(9)~~ 21.3(9) The applicant school provides evidence that faculty within an appropriate discipline are involved in developing and evaluating curriculum for the program(s) being registered in Iowa.

~~21.2(10)~~ 21.3(10) The applicant school provides ~~résumés, other~~ documentation, or information posted on its Internet site that describes the educational and experiential qualifications of all faculty or instructors who teach ~~the courses offered to Iowans in the programs the school proposes to offer under its registration~~ and the general subject matter in which faculty members or instructors teach. The applicant school shall also provide the number of full-time and part-time faculty and instructors who will teach the courses offered to Iowans.

~~21.2(11)~~ 21.3(11) The applicant school provides documentation demonstrating that a program which prepares a student for an occupation that requires professional licensure in Iowa and which the school proposes to offer under its registration:

a. Has been approved by the appropriate state of Iowa licensing agency and accrediting agency, if such approval is required, or

b. Meets curriculum standards of the appropriate state of Iowa licensing agency such that the state of Iowa licensing agency does not require the student to complete additional coursework or practicum hours that the school did not offer in its professional licensure preparation program.

~~21.2(12)~~ 21.3(12) The school submits a request for amendment of its registration subject to commission approval in the event the school makes a substantive change in location, program offering, or accreditation during its registration term. A substantive change in program offering occurs when a school proposes to initiate ~~or modify~~ a program that requires the approval of the state board of education or any ~~Iowa state agency authorized to approve the school or its other program that prepares a student for an occupation that requires professional licensure~~ in this state.

~~21.2(13)~~ 21.3(13) During its registration term, the school notifies the commission within 90 days after adding a program that does not require ~~the approval of another Iowa state agency~~ the school to seek the commission's amendment approval under subrule 21.3(12).

~~21.2(14)~~ 21.3(14) The applicant school certifies that it will immediately notify the commission of any pending or final sanction issued by the school's accrediting agency, another state agency that registers or licenses the school during its registration term, or a state attorney general's office or other enforcement authority. ~~The commission may take action that includes, but is not limited to, reducing the school's registration term or limiting its enrollment of Iowans as the result of a final sanction issued by the school's accrediting agency, another state agency, or a state attorney general's office or other enforcement authority.~~

~~21.2(15)~~ 21.3(15) The applicant school provides a statement, signed by its chief executive officer, demonstrating the applicant school's commitment to the delivery of programs offered in Iowa and agreeing to provide alternatives for students to complete their programs at the same or other schools if the applicant school discontinues a program, the applicant school closes, or the applicant school closes an Iowa site before students have completed their courses of study.

Notwithstanding any limitations on student eligibility for a teach-out plan approved by a school's accrediting agency, the alternatives that the school provides under this agreement with the commission shall ensure that all academically eligible students attending the programs the school offers under its registration are provided with a viable option(s) to finish the program(s).

21.3(16) If the applicant school is for-profit, the applicant school provides evidence that its most recently calculated percentage of revenue derived from funds received under Title IV of the Higher Education Act of 1965, as amended, does not exceed the threshold established by the United States Department of Education.

21.3(17) If the applicant school is nonpublic, the applicant school provides evidence of its official financial responsibility composite score, as calculated using the method prescribed by the United States Department of Education.

a. A school demonstrates that its financial responsibility composite score is official by providing

written confirmation of its composite score from the United States Department of Education.

b. A school that does not participate in the postsecondary student financial aid programs authorized by the United States Department of Education demonstrates that its financial responsibility composite score is official by providing written confirmation of its composite score from its accrediting agency. If the school's accrediting agency does not independently verify the school's composite score, the school must submit written confirmation from its independent auditor.

21.3(18) A nonpublic school that does not have a legal governing body, such as a board of directors or board of trustees, shall provide the names, titles, and educational and experiential qualifications of the persons holding key academic and operational leadership positions at the school.

21.3(19) A nonpublic school that is a subsidiary of another organization provides all of the following:

a. The name of the parent organization.

b. The names and titles of the members of the parent organization's legal governing body, such as a board of directors or board of trustees. In the absence of a legal governing body, the school provides the information described in subrule 21.3(18).

c. The name(s) of any other school(s) that is a subsidiary of the same parent organization.

21.3(20) The school provides any additional information the commission requires to evaluate the school.

**~~283—21.3(261B)~~ ~~283—21.4(261B,261G)~~ Additional approval criteria for an applicant school that applies for registration to maintain a fixed location in Iowa.** In addition to meeting the approval criteria in rule ~~283—21.2(261B)~~ ~~283—21.3(261B,261G)~~, a school that applies for registration to operate a campus, branch campus, student services center, or administrative office at a fixed location in Iowa shall meet all of the following additional criteria:

1. The applicant school employs at least one full-time Iowa faculty member or one program or student services coordinator devoted to Iowa students.
2. The applicant school provides to the commission the name and business contact information for a contact person in Iowa.
3. The applicant school demonstrates that it has adequate physical facilities located in Iowa appropriate for the programs and services offered.

**~~283—21.4(261B)~~ ~~283—21.5(261B,261G)~~ Additional criteria for an out-of-state applicant school that applies for registration to offer programs via in-person instruction but in a nontraditional format.**

21.4(1) 21.5(1) In addition to meeting the approval criteria in rule ~~283—21.2(261B)~~ ~~283—21.3(261B,261G)~~, an out-of-state school that applies for registration to offer programs via in-person instruction but in a nontraditional format shall notify the commission in writing within 90 days of the date that the school establishes a new Iowa location at which Iowa students will receive instruction in the school's nontraditional program. Notification to the commission via electronic mail is acceptable. If the school's accrediting agency requires preapproval of the new Iowa location, the school's notice to the commission must include a copy of that accrediting agency's approval. If the school's accrediting agency does not require preapproval of the new Iowa location, the school must certify that ~~preapproval~~ accrediting agency approval is not required. Such a school is not required to submit a registration amendment request under subrule 21.3(12).

21.4(2) 21.5(2) For the purposes of this rule, "nontraditional format" includes, but is not limited to, the following:

- a. A program offered partially via distance education and partially via in-person instruction at a location in Iowa by faculty or instructors compensated by the applicant school.
- b. A program offered partially at the applicant school's out-of-state campus and partially via in-person instruction at a location in Iowa by faculty or instructors compensated by the applicant school.
- c. A program offered at a location in Iowa through compressed courses scheduled on Saturday or Sunday.

- d. A program offered only during the summer months.
- e. A program offered at temporary locations in Iowa where the school identifies cohorts of students who have expressed interest in the program.

**~~283—21.5(261B)~~ 283—21.6(261B,261G) Additional approval criteria and exception for an out-of-state applicant school that applies for registration to offer distance education programs.**

~~21.5(1)~~ 21.6(1) An out-of-state school offering distance education programs is not required to register in Iowa if its home state approves the school to participate in a commission-approved interstate reciprocity agreement. ~~If an out-of-state school providing distance education programs in Iowa is not approved by the school's home state to participate in a commission-approved interstate reciprocity agreement,~~ ~~in addition to meeting the approval criteria in rule ~~283—21.2(261B)~~ 283—261.3(261B,261G),~~ ~~an~~ the out-of-state applicant school that applies for registration to offer distance education programs shall meet all of the following additional criteria:

a. The applicant school discloses the name and business contact information of any person compensated by the school (including by honorarium) to remotely provide instruction or academic supervision in the school's distance education courses from any Iowa location.

b. The applicant school discloses the name, business contact information, and duties of any person the applicant school compensates to remotely perform operational activities from any Iowa location.

~~21.5(2)~~ 21.6(2) Exception. If a school applies for registration solely to offer distance education programs that include a structured field experience in which the student will participate at an Iowa location and the applicant school maintains no other presence in Iowa as defined in Iowa Code section 261B.2, the school is not required to implement a policy that complies with Iowa Code section 261.9(1) "h."

~~21.5(3)~~ A registered school must notify the commission within 90 days of the date that the school establishes an Iowa location at which a student will participate in any structured activity (e.g., field experience) related to the school's distance education course of instruction. Notification to the commission via electronic mail is acceptable.

**~~283—21.6(261B)~~ 283—21.7(261B,261G) Recruiting for an out-of-state applicant school's residential programs from an Iowa location.**

~~21.6(1)~~ 21.7(1) An out-of-state applicant school that compensates a party to recruit Iowans for its campus-based, residential programs shall apply for registration if the recruiter maintains an Iowa address. In addition to meeting all of the criteria in rule ~~283—21.2(261B)~~ 283—21.3(261B,261G), the applicant school shall disclose the name and business contact information for its Iowa-based recruiter.

~~21.6(2)~~ 21.7(2) An out-of-state applicant school that compensates a person to recruit students for its campus-based, residential programs is not required to apply for registration if the school's recruitment activities at a location in Iowa are occasional and short-term; for example, at a college fair or conference.

**~~283—21.7(261B)~~ 283—21.8(261B,261G) Provisional registration.**

~~21.7(1)~~ 21.8(1) The commission may grant provisional registration ~~only~~ under the following conditions:

a. An out-of-state applicant school is accredited by an entity or organization recognized by the United States Department of Education or its successor agency at the time the school submits its registration application; and

b. The applicant school must obtain the commission's approval before the school's accrediting agency will consider approving the applicant school to operate at a physical location in Iowa.

~~21.7(2)~~ 21.8(2) The commission may prohibit the school from initiating instruction at a location in Iowa until the school obtains its accrediting agency's approval to operate at an Iowa location.

**283—21.9(261B,261G) Duration of registration; application for renewal.**

21.9(1) Upon approval by the commission, an applicant school is registered for a period of two

calendar years, contingent upon the school's compliance with commission requirements as provided in this chapter.

21.9(2) A registered school shall submit a completed registration renewal application to the commission at least six months before the ending date of the school's current registration term. A school is solely responsible for submitting a timely renewal application.

**283—21.10(261B,261G) Limitation, denial, or revocation of registration.**

21.10(1) At the time of initial registration or registration renewal and during a registration term, the commission may take action that includes, but is not limited to, limiting a school's program offerings or enrollment or denying or revoking the school's registration as a result of any of the following:

- a. An adverse notice, warning, or other sanction issued by the school's accrediting agency.
- b. An adverse action or sanction issued by the United States Department of Education.
- c. A lawsuit filed by a state agency, a state attorney general's office, or another enforcement authority.
- d. A judgment issued by a state attorney general's office or other enforcement authority.
- e. A for-profit school's most recently calculated percentage of revenue derived from funds received under Title IV of the Higher Education Act of 1965, as amended, that exceeds the threshold established by the United States Department of Education.
- f. Repeated complaints about a school received from the school's students by the commission, by another state, or by a state attorney general's office.
- g. Notice that the school has experienced a change of ownership or governance. The school shall notify the commission no later than 30 calendar days after the change in ownership or governance.
- h. Failure to pay fees due to the commission in accordance with rule 283—21.13(261B,261G).
- i. Other actions deemed by the commission as significant evidence that the school should not be allowed to operate under this chapter.

**283—21.8(261B) 283—21.11(261B,261G) School, Iowa site, or program closure.**

21.8(1) 21.11(1) Before No later than 90 days before a registered school takes action to discontinue a program that is offered by the school under its registration, close an Iowa site, or close the school, the school must notify the commission in writing.

21.8(2) 21.11(2) The school's notice to the commission shall include all of the following:

- a. ~~the~~ The full name, ~~contact information~~ residential address, telephone number, e-mail address, program name, and anticipated graduation date of affected ~~Iowans~~, Iowa resident students or, as applicable, affected students at the school's Iowa campus(es). The school shall organize this list in alphabetical order by student last name.
- b. ~~documentation~~ Documentation of the school's proposed notice to students.
- c. ~~the~~ The school's specific plan to provide alternatives for ~~Iowa~~ affected students to complete the ~~program~~, programs offered under the school's registration in accordance with the agreement described in subrule 21.3(15). The school shall obtain the prior approval of the commission for any agreement the school proposes to establish with another institution that provides completion alternatives for programs the school offered under its students.
- d. The school's plan for permanent storage and retrieval of student transcript information.
- e. ~~and specific~~ Specific information about how the school will provide transitional support to affected students.
- f. Contact information for the specific entity and individual who will accept responsibility for all of the following:
  - (1) Ensuring that unearned federal student aid is returned to the United States Department of Education on a timely basis.
  - (2) Finalizing student account records and providing copies of the students' final account statements to the students and, upon request, to the commission.
  - (3) Collecting outstanding bills a student owes to the school for tuition and other educational expenses.

(4) Collecting on private education loans or other institutional loans made to students by the school and, if applicable, the school's private preferred lender(s).

~~21.8(3)~~ **21.11(3)** The commission may require a registered school that has a continuous corporate surety bond in effect pursuant to Iowa Code section 714.18 to maintain the bond, at minimum, for one year after the school ceases operation in Iowa, closes an Iowa site, or ceases new enrollment in programs previously offered to ~~Iowans~~ Iowa resident students.

~~21.8(4)~~ **21.11(4)** If the commission takes action to discontinue a school's program, close a school's Iowa site, or terminate a school's operation in Iowa, the school shall provide to the commission the information in subrule ~~21.8(2)~~ 21.11(2) and shall be subject to the requirements of subrule ~~21.8(3)~~ 21.11(3).

~~21.9~~ **283—21.12(261B,261G) Registration Initial registration application fees and subsequent annual fees.**

~~21.13(1)~~ **21.12(1)** A school that applies for initial registration in Iowa as required under Iowa Code chapter 261B on or after January 1, 2016, shall remit ~~to the commission a \$1,000~~ an initial registration application fee payable to the state of Iowa commission in the amount of \$5,000. This fee is nonrefundable regardless of the commission's decision with respect to the school's eligibility for registration in Iowa. ~~The commission assesses this fee at the time the school initially applies for registration and at the time of each subsequent registration renewal application.~~ A school that fails to pay the initial registration application fee shall be denied registration consideration.

~~21.13(2)~~ **21.12(2)** A school that is approved for registration in Iowa shall remit ~~to the commission a \$1,000 registration~~ an annual fee payable to the state of Iowa commission in the amount of \$5,000 due on July 15 of each year. ~~The commission assesses the \$1,000 registration fee at the time the commission initially approves the school's registration and at the time the commission approves each subsequent registration renewal.~~ If a school's registration terminates during a year, the school shall pay the annual fee to the commission if the school's registration is valid as of July 15 of that year. The annual fee is nonrefundable.

~~21.13(3)~~ A school that makes substantive changes in location, program offerings, or accreditation during its registration term must request that the commission approve a registration amendment. The school shall submit its amendment request in a format acceptable to the commission. The school's amendment request shall be accompanied by a \$1,000 amendment fee payable to the state of Iowa. This fee is nonrefundable regardless of the commission's decision with respect to the school's registration amendment request.

~~283—21.10(261B)~~ **283—21.13(261B,261G) Authorization to operate in Iowa for certain private, nonprofit colleges and universities exempt from registration.**

~~21.10(1)~~ **21.13(1)** The state of Iowa considers a private, nonprofit institution located in Iowa, which is ~~exempt~~ qualifies for an exemption from registration under Iowa Code section 261B.11(1) "j" and "l," to be authorized to lawfully operate in Iowa as a postsecondary educational institution that grants a degree, diploma, or certificate for the purpose of state authorization regulations established by the United States Department of Education, provided the institution meets the following additional conditions:

- a. The institution is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code on or after July 1, 2013; and
- b. The institution originated in this state and has undergone no change in ownership or control since July 1, 2011.

~~21.10(2)~~ **21.13(2)** The following Iowa colleges and universities are authorized under subrule ~~21.10(1)~~ 21.13(1):

- a. AIB College of Business;
- b. Allen College;
- c. Briar Cliff University;
- d. Buena Vista University;

- e.* Central College;
  - f.* Clarke University;
  - g.* Coe College;
  - h.* Cornell College;
  - i.* Des Moines University;
  - j.* Divine Word College;
  - k.* Dordt College;
  - l.* Drake University;
  - m.* Emmaus Bible College;
  - n.* Faith Baptist Bible College and Theological Seminary;
  - o.* Graceland University;
  - p.* Grand View University;
  - q.* Grinnell College;
  - r.* Iowa Wesleyan College;
  - s.* Loras College;
  - t.* Luther College;
  - u.* Maharishi University of Management;
  - v.* Mercy College of Health Sciences;
  - w.* Mercy St. Luke's School of Radiologic Technology;
  - x.* Morningside College;
  - y.* Mount Mercy College;
  - z.* Northwestern College;
  - aa.* Palmer College of Chiropractic;
  - ab.* Simpson College;
  - ac.* St. Ambrose University;
  - ad.* St. Luke's College;
  - ae.* UnityPoint Health – Des Moines School of Radiologic Technology;
- 
- ~~*ae-af.*~~ University of Dubuque;
  - ~~*af-ag.*~~ Upper Iowa University;
  - ~~*ag-ah.*~~ Wartburg College;
  - ~~*ah-ai.*~~ Wartburg Theological Seminary; and
  - ~~*ai-aj.*~~ William Penn University.

**283—21.14(261B,261G) Approval criteria for a school seeking to participate in a commission-approved interstate reciprocity agreement under Iowa Code 261G.** A school that voluntarily applies to participate in a commission-approved interstate reciprocity agreement shall meet the following criteria:

21.14(1) The applicant school shall submit an institutional participation application as required by the commission-approved interstate reciprocity agreement. The application shall be signed by the school's chief executive officer or chief academic officer, and shall demonstrate that the school will comply with the following:

a. The school's principal campus or central administrative unit located in Iowa is authorized to operate in Iowa.

b. The school is a degree-granting institution that is accredited by an accrediting agency recognized by the United States Department of Education and that the school will notify the commission of any negative changes to its accrediting status.

c. The school will provide enrollment or other data prescribed by the interstate reciprocity agreement.

d. The school abides by the Interregional Guidelines for the Evaluation of Distance Education adopted by the Council of Regional Accrediting Commissions.

e. The school agrees to be responsible for the actions of any third-party providers the school uses to engage in operations under the commission-approved interstate reciprocity agreement.

f. The school will work with the commission to resolve any complaints arising from its students enrolled in distance education programs the school offers under the commission-approved interstate reciprocity agreement.

g. The school will provide disclosures to students who enroll in courses or programs that customarily lead to professional licensure, or which students could reasonably believe leads to licensure, about whether the school's program meets requirements for licensure in the state where each the student resides. If the school does not know whether licensure requirements are met in a student's state of residence, the school may meet this requirement by informing the student in writing and providing the student with contact information for the appropriate state licensing board(s).

21.14(2) A nonpublic applicant school must have an official financial responsibility composite score, as calculated using the method prescribed by the United States Department of Education, of at least 1.5 for its most recent institutional fiscal year. A nonpublic applicant school with an official financial responsibility composite score of between 1.0 and 1.49 for its most recent institutional fiscal year must submit to the commission a plan by which the school will raise its official composite score to 1.5 by the time it applies, under subrule 21.14(1), for participation in the commission-approved interstate reciprocity agreement for the third consecutive time.

21.14(3) A for-profit applicant school must demonstrate and maintain compliance with Iowa Code sections 714.18 and 714.23. The school shall apply the policy it adopts under Iowa Code section 714.23 to students who attend its campus(es) in Iowa, as well as Iowa resident and nonresident students who attend distance education programs the school offers under the interstate reciprocity agreement.

21.14(4) A for-profit applicant school that does not participate in the student financial assistance programs administered by the United States Department of Education must demonstrate and maintain compliance with Iowa Code section 714.25.

21.14(5) A school that is approved to participate in the commission-approved interstate reciprocity agreement shall remit an annual fee payable and due to the commission on July 15 of each year. If a school's participation in the commission-approved interstate reciprocity agreement terminates during a year, the school shall pay the annual fee to the commission if the school's registration is valid as of July 15 of that year. The annual fee is nonrefundable and will be assessed based on a school full time equivalent (fte) enrollment as follows:

Under 2,500 fte -- \$2,000  
2,500 to 9,000 fte -- \$4,000  
10,000 fte or more -- \$6,000

21.14(6) A school that applies for, and is approved to participate in, the commission-approved interstate reciprocity agreement shall remit to the interstate reciprocity agreement administrator any registration fees required by that administrator.

21.14(7) Upon approval by the interstate reciprocity agreement administrator, a school may continue its participation in the commission-approved interstate reciprocity agreement by meeting all requirements of the interstate reciprocity agreement administrator.

21.14(8) The school shall abide by conditions of provisional approval, if necessary, which may include oversight measures as the commission deems necessary, including enrollment limits. The commission, at its discretion, may approve a school for initial participation in the commission-approved interstate reciprocity agreement on a provisional status in any of the following circumstances:

- a. The school is on probationary status or the equivalent with its institutional accrediting agency.
- b. The institution is currently using a letter of credit or is under a cash management agreement with the United States Department of Education.

c. The school is the subject of a publicly announced investigation by a government agency, and the investigation is related to the school's academic quality, financial stability, or student consumer protection.

d. The school is the subject of a current investigation by an agency of the State of Iowa related to the institution's academic quality, financial stability, or student consumer protection.

**21.14(9)** A school that closes while participating in the commission-approved interstate reciprocity agreement shall provide the notice described in subrule 21.11(1) and data described in subrule 21.11(2) to the commission for affected Iowa-resident students, students attending the school's campus(es) located in Iowa, and for out-of-state residents who are enrolled in distance education programs the school offers under the commission-approved interstate reciprocity agreement. Such a school shall promptly provide the commission with a teach-out plan approved by the school's accrediting agency, and shall deposit its student transcript records at the office of the registrar of the university of Iowa in compliance with Iowa Code chapter 264.

These rules are intended to implement Iowa Code chapters 261, ~~and~~ 261B, and 261G.