

IOWA COLLEGE STUDENT AID COMMISSION

September 26, 2014



IowaCollegeAid.gov

Because college changes everything.

IOWA COLLEGE STUDENT AID COMMISSION

Guiding Statements

Our Vision

All Iowans can achieve an education beyond high school.

Our Mission

We advocate for and support Iowa students as they explore, finance and complete educational opportunities beyond high school to increase family and community success.

Our Motto

Because college changes everything.

Our Guiding Principles

- Put students first
- Respect and honor the dignity of each other and all those we serve
- Uphold the public trust
- Create and nurture internal and external partnerships that benefit our customers
- Provide services to our customers that exceed expectations and address their changing needs
- Develop and empower a motivated, compassionate, professional and accountable team
- Utilize evidence-based decision making

IOWA COLLEGE STUDENT AID COMMISSION

A G E N D A

September 26, 2014

10:00 a.m.

Iowa College Student Aid Commission Conference Room

1. States in the Driver’s Seat Presentation, Brian Prescott, WICHE
2. Student Loan Capital Strategies Presentation, Mark Weadick
3. Executive Director’s Report..... Tab A
- *4. Consent Agenda Tab B
 - a. Minutes of Meeting
 - July 18, 2014
 - b. Administrative Rule
 - Propose Amendments
 - *Chapter 6 – Public Records and Fair Information Practices*
 - *Chapter 7 – Uniform Rules for Waivers*
 - *Chapter 23 – Skilled Workforce Shortage Tuition Grant Program*
 - Propose to Rescind
 - *Chapter 10 – Federal Family Education Loan Programs*
 - *Chapter 11 – State of Iowa Scholarship Program*
 - *Chapter 15 – Iowa Guaranteed Loan Payment Program*
 - *Chapter 19 – Accelerated Career Education Grant Program*
 - Adopt Amendments
 - *Chapter 5 – Contested Cases*
 - *Chapter 24 – Rural Iowa Primary Care Loan Repayment Program*
 - *Chapter 25 – Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program*
- *5. Committee Reports Tab C
 - Legislative Committee Commissioner Adams
6. Staff Reports Tab D
 - Administrative Budget/Expenditure Summary.....Misjak
 - Postsecondary Registration Small
7. Adjournment

* Indicates Action Item

UPCOMING MEETING DATE:

November 21, 2014

January 17, 2014

IOWA COLLEGE STUDENT AID COMMISSION

Executive Director's Report September 2014

College Changes Everything\Collective Impact

Progress is being made through the College Changes Everything movement in pilot communities that are currently in various stages of planning, assessment or implementation. Iowa College Aid is working with each community to bring together local leaders to tackle barriers to student achievement and college access in order to increase educational attainment. The movement is based upon a collective impact approach, an evidence-based framework built upon the construct that large-scale change comes from better cross-sector coordination rather than from the isolated intervention of individual agencies or organizations.

The collective impact approach has been successfully implemented in other states and metropolitan areas to address such social issues as education, childhood obesity and college access. These documented successes have helped the approach to gain the support of organizations like the Lumina and Kresge Foundations. As the backbone agency for College Changes Everything, Iowa College Aid is supporting the initiative through ongoing facilitation and training, technical and communications support, data collection and reporting and handling the logistical and administrative details needed for the initiative to function smoothly.

Commission-administered Scholarship and Grant Programs

With the close of the 2014 state fiscal year, a summary of the number of individuals assisted and dollars awarded through Commission-administered scholarship, grant, and loan repayment programs have been compiled. During the 2013-14 year, Commission-administered scholarship and grant programs provided 27,278 individual awards, totaling just under \$65.2 million. Staff also provided loan repayment funds to 146 individuals employed in select high-need professions in Iowa, providing over \$2.4 million in loan repayment obligations.

**IOWA COLLEGE STUDENT AID COMMISSION
MINUTES OF MEETING**

July 18, 2014

10:00 a.m.

**Via Telephone Conference Call
Iowa College Student Aid Commission**

Members Present:

Janet Adams	Roger Claypool
Crystal Ford	Herman Quirnbach
Doug Shull	Roby Smith
Elizabeth Sullivan	Jeremy Varner
Karolyn Wells	Cindy Winckler

Members Absent:

Michael Ash	Ron Jorgensen
Frederick Moore	Hannah Walsh

Staff Present:

Todd Brown	Julie Leeper
Kris May	Karen Misjak
Rachel Scott	Carolyn Small

Attorney General Present:

Rob Porter

Guests Present

Matt Brown	Iowa Student Loan
Robin Madison	Legislative Services Agency

Call to Order

The Iowa College Student Aid Commission met for a regularly scheduled meeting on July 18, 2014 via telephone conference call. Commission Chair Adams called the meeting to order at 10:00 am with a quorum present.

Executive Director's Report

Ms. Misjak provided an update on the application process for the second statewide Gear UP grant from the USDE that the Commission submitted on July 7, 2014. The difference in the new grant from the previous one is that staff will be following the cohort though their first year of college and that the total request was for \$22.4 million dollars for the seven year grant. Ms. Misjak shared that staff was able to assemble a network of 55 partner organizations who have documented in-kind match for the grant totaling more than \$25 million.

Ms. Misjak shared that staff will be exhibiting at the Iowa State Fair again this year in the Varied Industries Building and this year's booth will focus on the importance of higher education and it's potential to positively impact the lives of Iowans.

Ms. Small gave Commissioners an update on the status of Corinthian Colleges, Inc. (CCI). CCI is a large for-profit educational corporation that owns 4 brands, including 85 campuses in the United States and fully online programs. Three of the CCIU brands have an Iowa nexus: Everest College – Phoenix, Everest University Online, and QuickStart.

For the past six months, the US Department of Education has been pursuing CCI to provide data to justify its job placement rates and student enrollment data to justify its requests for federal student aid disbursements for about 175,000 students. On June 12, after the USDE had not received all of the data it requested, the USDE placed CCI on heightened cash management. This meant that CCI must credit student accounts in the amount of the student's federal student aid eligibility using its own funds, submit student enrollment data to the USDE for verification that CCI was eligible to receive federal student aid funding, and wait 21 days while USDE reviewed CCI's enrollment records before CCI received reimbursement from the USDE. CCI is a publicly traded company that must report its financial status to the Securities and Exchange Commission (SEC). In a subsequent SEC report, CCI disclosed that the USDE action would create a shortfall in operating cash flow that would cause the corporation to be unable to continue as a going concern.

In an effort to avert the immediate and massive failure of the Corinthian institutions, the USDE reached an agreement with CCI on July 3 that shortens the timeframe during which CCI must wait for funds reimbursement from the USDE. However, as part of that agreement, CCI must either teach-out and close, or sell all of its US institutions within the next six months. Corinthian has chosen to sell all but 2 of its US institutions. Potential buys are not known at this time. There is significant concern among state regulators and others that CCI may be unable to sell all of its institutions for reasons including the need for a new owner to accept some future financial liability for CCI's noncompliance. In its agreement with CCI, the USDE also stated that

it reserved the right to defer reimbursement of federal funding in the future for a longer period, or terminate federal student aid funding for some CCI institutions that the USDE found ineligible to participate in the federal student aid programs due to its investigation.

Based on the best information available at this time, we have 67 lowans enrolled in fully online programs at Everest University Online, 32 lowans enrolled in fully online programs at Everest College - Phoenix, and an unknown number of lowans enrolled in individual technology courses offered through CCI's brand QuickStart that established an instructional site at 699 Walnut, 4th Floor, Des Moines. The last time the Commission was contacted about compliance with our postsecondary registration laws was in mid-2010, before the Commission implemented a policy to address distance education programs. That policy was in place and being enforced in early 2011, and enacted into law effective July 1, 2012. In addition, regardless of whether an out-of-state distance education provider meets the conditions for registration under Iowa Code Chapter 261B, staff have been enforcing the separate bonding provisions of Iowa Code Section 714.18 and the tuition refund policy for students that withdraw from for profit schools found in Iowa Code Section 714.23. Corinthian has not demonstrated compliance with any of these laws. On June 24, 2014, Ms. Small requested from CCI a list of Iowa residents currently enrolled in online programs offered by Everest College – Phoenix and Everest University. Ms. Small has not received that list or additional communication about that request.

After several consultations with agency counsel, we determined that it was necessary to take action quickly to protect lowans from the risk posed by this corporation. On the morning of Monday, July 14, 2014, the Executive Director notified Corinthian via email that it must cease new Iowa resident enrollment immediately. We requested confirmation by our close of business on the same day, July 14, 2014, that CCI would comply with our instruction to immediately cease new enrollment. The Executive Director has not yet received a response from Corinthian Colleges, Inc.

Additionally, our notice to CCI permits the corporation to teach out lowans currently enrolled in their programs, but only if – within 60 days – CCI files evidence of responsibility (a corporate surety bond payable to the state of Iowa) and demonstrates that its institutional refund policy provides at least the benefit to a withdrawn student that is guaranteed under Iowa law. This stipulation applies to currently enrolled lowans at Everest College – Phoenix, Everest University Online. The bonding requirement applies to currently enrolled lowans through QuickSmart in Des Moines.

During the past several weeks, Ms. Small has been working on text for a Commission web page devoted to Corinthian students that summarizes the corporation's financial and compliance issues, encourages Iowa residents who are concerned about the future of their CCI school to consider an Iowa school, explains the benefits of attending an Iowa school, provides tips of finding an online program, a list of all Iowa schools that offer programs in any nontraditional format, a list of Iowa schools that offer fully programs that are similar to Everest College – Phoenix and Everest University, and guidance on evaluating a transfer to a new school, the impact of withdrawal on tuition charges and federal student aid eligibility. During the same period, Ms. Small has contacted all sectors of Iowa schools requesting transfer consideration for Everest College – Phoenix and Everest University students. Responses will be used to create a

matrix of Iowa schools that offer online programs similar to the two Everest schools. This list will be accompanied by appropriate caveats stating that every school has the right to establish its own admission and transfer of credit policies. The web text has been reviewed by counsel and the Executive Director and staff hopes to have it online next week.

Mr. Porter advised Commissioners about its choices for a response in the event that Corinthian Colleges, Inc. failed to notify the Executive Director that it would voluntarily comply with staff's July 14, 2014, notice to cease new Iowa resident enrollment. The Commission could vote to issue an order to Corinthian Colleges, Inc., to show just cause why the Commission should not issue a cease and desist order against the school, or authorize counsel to initiate the show cause order and then vote on any further action based on Corinthian Colleges' response to the show cause order. Commissioners discussed the need for a prompt Commission response in the event Corinthian Colleges failed to confirm its willingness to voluntarily comply with the Executive Director's July 14, 2014, notice to cease new Iowa resident enrollment. The Commissioners agreed that in the event the Executive Director received no response from Corinthian by the following Thursday, the Commissioners would initiate a special meeting by telephone no later than the subsequent Friday (or as soon as possible thereafter in order to comply with public notice requirements) to discuss next steps.

Consent Agenda

Motion: Commissioner Shull moved to approve the consent agenda at written.

Minutes of Meeting- May 16, 2014

Administrative Rules

Move to propose amendments to *Administrative Rules*:

- *Chapter 5 – Contested Cases*
- *Chapter 24 – Rural Iowa Primary Care Loan Repayment Program*
- *Chapter 25 – Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program*

Move to adopt amendments to *Administrative Rules*:

- *Chapters 28 – Teach Iowa Scholar Program*

Gear Up Trust Disbursement

Commissioner Wells seconded the motion which passed unanimously.

Human Resources and Nominations Committee Report

Motion: Commissioner Varner moved to approve the Human Resources and Nominations Committee nominations for FY 2015 Committees. Commissioner Shull seconded the motion which passed unanimously.

Motion: Commissioner Varner moved to appoint Commissioner Janet Adams as the Chair and Commissioner Crystal Ford as the Vice Chair for FY 2015. Commissioner Wells seconded the motion which passed unanimously.

Legislative Committee Report

Ms. Leeper shared that the committee discussed a regulatory plan that the staff submits on an annual basis to the Governor's office and the upcoming 2015 Legislative session. The committee began to strategize the 2015 agency bill and discussed the Administrative Rules that were passed on the consent agenda. Ms. Leeper said the committee also discussed the report "States in the Driver's Seat" and agreed to invite one of the author's of the report to speak to the Commission. Ms. Leeper is going to send the report to all Commissioners following the Commission Meeting.

Staff Reports

Ms. May gave a report on the FY 2014 year to date financials.

Commission adjourned at 10:41 a.m.

JANET ADAMS, CHAIR

CRYSTAL FORD, VICE CHAIR

IOWA COLLEGE STUDENT AID COMMISSION

**Administrative Rules
September 2014**

RECOMMENDED ACTION:

Move to propose amendments to *Administrative Rules:*

Chapter 6 – Public Records and Fair Information Practices

Chapter 7 – Uniform Rules for Waivers

Chapter 23 – Skilled Workforce Shortage Tuition Grant Program

The rules have been reviewed by the Commission's Legislative Committee.

The proposed amendments to Chapter 6 update the Commission's address and identify the availability of records to the public.

The proposed amendment to Chapter 7 updated the Commission's address.

The proposed amendment to Chapter 23 clarifies the definition of "financial need" under the program.

RECOMMENDED ACTION:

Move to propose to rescind the following *Administrative Rules:*

Chapter 10 – Federal Family Education Loan Programs

Chapter 11 – State of Iowa Scholarship Program

Chapter 15 – Iowa Guaranteed Loan Payment Program

Chapter 19 – Accelerated Career Education Grant Program

The rules have been reviewed by the Commission's Legislative Committee.

Chapter 10 describes the procedures under which the Commission administers the Federal Family Education Loan Program, a program no longer administered by the Commission.

Chapter 11 provides rules under the State of Iowa Scholarship Program, which has not been funded since fiscal year 2005.

Chapters 15 and 19 provide rules for the Iowa Guaranteed Loan Payment Program and the Accelerated Career Education Grant Program which were rescinded as a result of passage of Senate File 2257.

RECOMMENDED ACTION:

Move to adopt amendments to *Administrative Rules*:

Chapter 5 – Contested Cases

Chapter 24 – Rural Iowa Primary Care Loan Repayment Program

Chapter 25 – Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program

The rules have been reviewed by the Commission's Legislative Committee and were proposed by the Commission during its July 18, 2014 meeting.

The change to Chapter 5 updates the Commission's address.

The changes to Chapters 24 and 25 describe changes to Iowa Code section 261.113 and 261.114 as enacted in Senate File 2347.

COLLEGE STUDENT AID COMMISSION[283]

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 6, “Public Records and Fair Information Practices” and Chapter 7, “Uniform Rules for Waivers”, Iowa Administrative Code.

The rules in Chapter 6 describe the Commission’s procedures for providing public records and describe fair information practices. These proposed amendments update the Commission’s address as identified by a regular review of the administrative rules and identify the availability of records to the public.

The rules in Chapter 7 describe the Commission uniform rules for waivers. These proposed amendments update the Commission’s address as identified by a regular review of the administrative rules.

Interested persons may submit comments orally or in writing by 4:30 p.m. on or before November 18, 2014, to the Executive Director, Iowa College Student Aid Commission, 430 East Grand Avenue, Third Floor, Des Moines, Iowa 50309-1920; fax (515)725-3401.

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.

The following amendments are proposed.

Amend subrule 6.3(1) as follows:

283—6.3(17A,22) Requests for access to records.

6.3(1) Location of record. A request for access to a record should be directed to the Executive Director, Iowa College Student Aid Commission, ~~200 Tenth Street, Fourth Floor~~ 430 East Grand Avenue, Third Floor, Des Moines, Iowa ~~50309-3609~~ 50309-1920. If a request for access to a record is misdirected, commission personnel will promptly forward the request to the appropriate person.

Amend subrule 6.12 as follows:

283—6.12(17A,22) Availability of records. This rule lists the commission records which are open to the public, those which are confidential, and those which are partially open and partially confidential.

Commission records are listed by category, according to the legal basis for confidential treatment (if any). The commission administers federally funded programs, as well as state programs, and is authorized by Iowa Code section 22.9 to enforce confidentiality standards for federal law and regulations as are required for receipt of the funds. A single record may contain information from several categories.

The chart indicates whether the record contains personally identifiable information, and indicates the legal authority for confidentiality and for the collection of personally identifiable information.

Abbreviations are used in the chart as follows:

Code	Meaning	Code	Meaning
O	The records are open for public inspection.	O/C	The record is partially open and partially confidential.
C	The records are confidential and are not open to public inspection.	O/E	The record is partially open to the public and partially exempt from disclosure.
E	The record is exempt from mandatory disclosure to members of the public.	PI-O/E/C	Personally identifiable information. The record is partially open to the public, partially exempt from disclosure, and partially confidential and not open to the public.
<u>E/C</u>	<u>The record is exempt from mandatory disclosure to the public and confidential and not open to public inspection.</u>	NA	Not applicable.

DESCRIPTION OF RECORD	TYPE OF RECORD	LEGAL AUTHORITY FOR CONFIDENTIALITY	PERSONALLY IDENTIFIABLE INFORMATION	LEGAL AUTHORITY FOR PI INFORMATION
Records of Commission, Advisory Council, and Committees	O/E	Iowa Code 21.5	No	NA
Rule Making	O	NA	No	NA
Declaratory Ruling Records	O/C	Iowa Code 22.7	No	NA
Rules and Policy Manuals	O	NA	No	NA
General Correspondence	O/E/C	Iowa Code 22.7	Yes	NA
Publications <ul style="list-style-type: none"> • General • GSL • Scholarship 	O	NA	No	NA
Statistical Reports	O	NA	No	NA
Staff Reports	O	NA	No	NA
Financial & Administrative Records	O/E/C	Iowa Code 22.7	Yes	NA
Registration and Approval Records	O	NA	No	NA
Contracts and Interagency Agreements	O/C	Iowa Code 22.7(3)	No	NA
Sealed Bids Prior to Public Opening	C	Iowa Code 22.3, and 22.7 and 72.3	No	NA
Appeal Records	O/C	Iowa Code 22.7	Yes	NA
Litigation Files	O/E/C	Iowa Code 22.7	Yes	NA
Privileged Communication and Products of Attorneys Representing the Commission	E/C	Iowa Code 22.7, Iowa Code of Professional Responsibility for Lawyers, Canon 4	No	NA
Individual Applicant/Recipient Records (<u>such as those collected under the Iowa Tuition Grant and Iowa Vocational-Technical Tuition Grant Programs</u>)	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>P.L. 89-329</u>
•Guaranteed Student Loans (GSL)	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>P.L. 89-329</u>
•Parents Loans for Students (PLUS)	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Sec. 428[b-e]</u>
•Supplementary Loans to Students	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Sec. 488[e]</u>
•Iowa Tuition Grants	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.10</u>
•State of Iowa Scholarship	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.2(4)</u>
•Iowa Vocational-Technical Tuition Grant	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.17</u>
•Paul Douglas Scholarship	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>34 CFR Part 653.34</u>
•Teacher Shortage Forgivable Loan	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.114</u>
•Iowa Grant	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.97</u>
•Osteopathic Physician Recruitment	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.19</u>
•Accelerated Career Education Grant	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.22</u>
•Iowa National Guard Educational Assistance	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.86</u>
•Chiropractic Graduate Student Forgivable Loan	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.71</u>
•Gov. Terry E. Branstad Iowa State Fair Scholarship	C	<u>Iowa Code 22.7</u>	<u>Yes</u>	<u>Iowa Code 261.24</u>

DESCRIPTION OF RECORD	TYPE OF RECORD	LEGAL AUTHORITY FOR CONFIDENTIALITY	PERSONALLY IDENTIFIABLE INFORMATION	LEGAL AUTHORITY FOR PI INFORMATION
•Claims	€	Iowa Code 22.7	Yes	P.L. 89-329
•Collections	C	Iowa Code 22.7	Yes	Sec. 428[b-c] and Sec. 488[c]
<u>State and Federal Program Records (such as those maintained under the Iowa Tuition Grant Program and the John R. Justice Student Loan Repayment Program)</u>	<u>O</u>	<u>NA</u>	<u>No</u>	<u>NA</u>
•Iowa Work-Study	Ø	NA	No	NA
•Iowa Tuition Grant	Ø	NA	No	NA
•State of Iowa Scholarship	Ø	NA	No	NA
•Iowa Vocational-Technical Tuition Grant	Ø	NA	No	NA
•GSL (EAGLE)	Ø	NA	No	NA
•Paul Douglas Scholarship	Ø	NA	No	NA
•Teacher Shortage Forgivable Loan	Ø	NA	No	NA
•Iowa Grant	Ø	NA	No	NA
•Osteopathic Physician Recruitment	Ø	NA	No	NA
•Accelerated Career Education Grant	Ø	NA	No	NA
•Iowa National Guard Educational Assistance	Ø	NA	No	NA
•Chiropractic Graduate Student Forgivable Loan	Ø	NA	No	NA
•Gov. Terry E. Branstad Iowa State Fair Scholarship	Ø	NA	No	NA
Applicant/Recipient Records may contain information from restricted sources:	-	-	-	-
-	-	-	-	-
•Federal Tax Returns	€	Iowa Code 422.20	Yes	P.L. 89-329
•Iowa Dept. of Revenue	€	Iowa Code 422.20	Yes	Sec. 428[b-e]
•Education Records	€	Iowa Code 22.7	Yes	Sec. 488[e]

Amend subrule 7.10 as follows:

283—7.10(261,ExecOrd11,17A) Filing of petition. A petition for a waiver must be submitted in writing to the commission’s Executive Director, ~~200 Tenth Street, Fourth Floor~~ 430 East Grand Avenue, Third Floor, Des Moines, Iowa ~~50309-3609~~ 50309-1920.

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 261.130, the Iowa College Student Aid Commission hereby gives Notice of Intended Action to amend Chapter 23, “Skilled Workforce Shortage Tuition Grant Program,” Iowa Administrative Code.

Proposed changes to Chapter 23 describe clarify the definition of “financial need” under the program

Interested persons may submit comments orally or in writing by 4:30 p.m. on or before November 18, 2014, to the Executive Director, Iowa College Student Aid Commission, Third Floor, 430 East Grand

Avenue, Des Moines, Iowa 50309-1920; fax (515)725-3401.

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.

The following amendment is proposed:

Amend subrule 23.1(1) as follows:

23.1(1) Financial need.

a. Financial need shall be evaluated annually on the basis of a confidential financial statement filed on a form designated by the commission. For the purposes of determining financial need, the commission has adopted the use of the Free Application for Federal Student Aid (FAFSA), a federal form used to calculate a formula developed by the U.S. Department of Education, the results of which are used to determine relative need known as expected family contribution. The FAFSA must be received by the processing agent by the date specified by the college student aid commission.

b. Financial need is defined as the ~~greater of \$200 per semester or the equivalent or the difference between the total maximum federal Pell grant for the academic year for a full-time student with an expected family contribution of \$0 minus the Pell grant award received by the student minus the Iowa vocational-technical tuition grant received by the student~~ cost of attendance, minus the eligible applicant's expected family contribution, minus federal Pell Grant received by the applicant, and minus Iowa vocational-technical tuition grant received by the applicant. Awards will not exceed one-half of the average tuition and mandatory fees at Iowa community colleges and will not be less than \$200 per semester or the equivalent.

COLLEGE STUDENT AID COMMISSION[283]

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 rescind Chapter 10, "Federal Family Education Loan Programs", Chapter 11, "State of Iowa Scholarship Program", Chapter 15, "Iowa Guaranteed Loan Payment Program", and Chapter 19, "Accelerated Career Education Grant Program" Iowa Administrative Code.

Chapter 10 describes the procedures under which the Commission administers the Federal Family Education Loan Program, a program no longer administered by the Commission.

Chapter 11 provides rules under the State of Iowa Scholarship Program, which has not been funded since fiscal year 2005.

Chapters 15 and 19 provide rules for the Iowa Guaranteed Loan Payment Program and the Accelerated Career Education Grant Program which were rescinded as a result of changes to Iowa Code sections 261.22 and 261.44 that were enacted in 2014 Iowa Acts, Senate File 2257, section 2, 15.

Interested persons may submit comments orally or in writing by 4:30 p.m. on or before November 18, 2014, to the Executive Director, Iowa College Student Aid Commission, Third Floor, 430 East Grand Avenue, Des Moines, Iowa 50309-1920; fax (515)725-3401.

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.

The following amendments are proposed.

Rescind Chapter 10 "Federal Family Education Loan Programs".

Rescind Chapter 11, "State of Iowa Scholarship Program".

Rescind Chapter 15, "Iowa Guaranteed Loan Payment Program".

Rescind Chapter 19, "Accelerated Career Education Grant Program".

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby adopts amendments to Chapter 5, "Contested Cases," Iowa Administrative Code.

The rules in Chapter 5 describe the Commission's contested case procedures. This amendment updates the Commission's address as identified by a regular review of the administrative rules.

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 20, 2014, as **ARC 1579C**. The adopted rule is identical to the Notice of Intended Action.

The Commission does not intend to grant waivers under the provisions of this rule.

This rule was adopted during the September 26, 2014, meeting of the Iowa College Student Aid Commission.

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

This rule is intended to implement Iowa Code chapter 261.

The following amendment is adopted.

Adopt subrule 5.12(5) as follows:

5.12(5) Proof of mailing. Proof of mailing includes either: a legible United States Postal Service postmark on the envelope, a certificate of service, a notarized affidavit, or a certification in substantially the following form:

I certify under penalty of perjury and pursuant to the laws of Iowa that, on (date of mailing), I mailed copies of (describe document) addressed to the College Student Aid Commission, ~~200 Tenth Street, Fourth Floor, Des Moines, Iowa 50309-3609~~ 430 East Grand Avenue, Third Floor, Des Moines, Iowa 50309-1920, and to the names and addresses of the parties listed below by depositing the same in (a United States post office mailbox with correct postage properly affixed or state interoffice mail).

(Date) (Signature)

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.113, the Iowa College Student Aid Commission hereby adopts amendments to Chapter 24, "Rural Iowa Primary Care Loan Repayment Program," Iowa Administrative Code.

The rules in Chapter 24 reflect changes to Iowa Code section 261.113 that were enacted in 2014 Iowa Acts, Senate File 2347, sections 2, 16 and 17.

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 20, 2014, as **ARC 1586C**. The adopted rule is identical to the Notice of Intended Action.

The Commission does not intend to grant waivers under the provisions of this rule.

This rule was adopted during the September 26, 2014, meeting of the Iowa College Student Aid Commission.

After analysis and review of this rule making, the Commission finds that there could be a positive impact on jobs. This rule making provides incentives for primary care physicians to practice in designated service commitment areas in Iowa.

These rules are intended to implement Iowa Code chapter 261.

The following amendments are adopted.

ITEM 1. Adopt rule 283—24.1(261) as follows:

283—24.1(261) Rural Iowa primary care loan repayment program. The rural Iowa primary care loan repayment program is a state-supported and administered loan repayment program for students who agree to practice as physicians in service commitment areas for ~~60~~ five consecutive months years and meet the requirements of these rules.

ITEM 2. Adopt rule ~~283—24.2(261)~~, definition of “Eligible loan,” as follows:

“*Eligible loan*” means the physician’s total subsidized, unsubsidized, and consolidated Federal Stafford Loan amount under the Federal Family Education Loan Program, ~~or the Federal Direct Loan Program,~~ federal Graduate PLUS Loan, or federal Perkins Loan, including principal and interest. Only the outstanding portion of a federal consolidation loan that was used to repay an eligible subsidized or unsubsidized Federal Stafford Loan qualifies for loan repayment.

ITEM 3. Adopt rule 283—24.3(261) as follows:

283—24.3(261) Eligibility requirements.

24.3(1) An eligible university will recommend up to ten applicants to the commission for loan repayment benefits. Priority will be given to students who are Iowa residents upon enrolling in the eligible university. The criteria used by the state board of regents to determine residency for tuition purposes, Iowa Administrative Code rule 681—1.4(262), are adopted for this program. ~~Fifty percent~~ The percentage of the agreements ~~shall to~~ be entered into by students attending each eligible university shall be evenly divided.

a. The commission will annually determine and communicate the number of recommendations that can be funded at each eligible university.

b. If fewer than ~~one-half of the total~~ recommendations in 24.3(1)“a” are fulfilled by students at one eligible university, the commission may obtain additional recommendations from the other eligible university to award the remaining agreements.

24.3(2) An applicant must enter into an agreement with the commission ~~when~~ during the ~~applicant begins curriculum~~ applicant’s final year of study leading to a doctor of medicine or osteopathy degree.

24.3(3) An applicant must ~~remain be~~ enrolled on a full-time basis ~~in each term of enrollment~~ and graduate with a doctor of medicine or osteopathy degree from an eligible university. The commission may waive the full-time enrollment requirement for a temporary time frame only in the instance of a leave of absence approved by an eligible university. The applicant must request a waiver from the commission in writing.

24.3(4) An applicant must apply for, enter, and complete a residency program in Iowa.

24.3(5) Within nine months of graduating from the residency program, an applicant must receive a permanent license to practice medicine and surgery or osteopathic medicine and surgery in the state of Iowa and engage in full-time practice, as defined by the service commitment area, of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery for a period of ~~60~~ five consecutive months years in a service commitment area.

24.3(6) An applicant must annually complete and return to the commission an ~~affidavit of full-time enrollment at an eligible university and, when applicable, an annual~~ affidavit of acceptance into and completion of residency programs and acceptance of and completion of employment obligations in a service commitment area.

24.3(7) Prior to or upon engagement in full-time employment in a service commitment area, the physician must contract with a service commitment area to provide a nonrefundable \$20,000 contribution for deposit in the rural Iowa primary care trust fund. Payment must be received by the commission from a service commitment area prior to payment of any loan repayment awards.

24.3(8) Failure by the applicant to meet all eligibility requirements under this rule and in the agreement will result in forfeiture of all remaining unpaid payments.

ITEM 4. Amend subrule 24.4(2) as follows:

24.4(2) The maximum award will be paid to the physician’s eligible loan holder in five equal installments, upon successful completion of each of five 12-month employment obligations. Failure to complete all, or any portion, of the ~~60 consecutive month~~ five-consecutive-year employment obligation will result in the forfeiture of all remaining unpaid payments. A physician who fails to meet the requirements of these rules may also be subject to repayment of moneys advanced by the service commitment area as provided in any contract between

the physician and the service commitment area.

ITEM 5. Adopt rule 283—24.5(261) as follows:

283—24.5(261) Waivers.

24.5(1) *Service commitment area.* The commission may waive the requirement that the physician practice in the same service commitment area for ~~all 60 months~~ five years. The physician must request a waiver from the commission in writing.

24.5(2) *Full-time employment.* The commission may waive the requirement that the physician be employed full-time if the physician demonstrates exceptional circumstances. The physician must request a waiver from the commission in writing. If a waiver request is granted by the commission, the agreement will be amended to provide an allowance for part-time employment. The ~~60-month~~ five-year employment obligation will be proportionally extended to ensure the physician is employed in a service commitment area for the equivalent of ~~60~~ five full-time ~~months~~ years.

24.5(3) and 24.5(4) No change.

ITEM 6. Adopt **283—Chapter 24**, implementation sentence, as follows:

These rules are intended to implement Iowa Code section 261.113 as amended by 2014 Iowa Acts, Senate File 2347.

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.114, the Iowa College Student Aid Commission hereby adopts amendments to Chapter 25, “Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program,” Iowa Administrative Code.

The rules in Chapter 25 reflect changes to Iowa Code section 261.114 that were enacted in 2014 Iowa Acts, Senate File 2347, sections 2, 18 and 19.

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 20, 2014, as **ARC 1587C**. The adopted rule is identical to the Notice of Intended Action.

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 could be a positive impact on jobs. This rule making provides incentives to physician assistants and advanced registered nurse practitioners to practice in designated service commitment areas in Iowa.

These amendments are intended to implement Iowa Code chapter 261.

The following amendments are adopted.

ITEM 1. Adopt rule 283—25.1(261) as follows:

283—25.1(261) Rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program. The rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program is a state-supported and administered loan repayment program for applicants who agree to practice as advanced registered nurse practitioners or physician assistants in service commitment areas for ~~60~~ five consecutive ~~months~~ years and meet the requirements of these rules.

ITEM 2. Adopt rule **283—25.2(261)**, definitions of “Advanced registered nurse practitioner,” “Eligible loan” and “Eligible university,” as follows:

“*Advanced registered nurse practitioner*” means an individual who graduated from a ~~doctorate of nursing practice degree~~ graduate-level credential program at an eligible university, holds a practitioner’s license to practice as an advanced registered nurse practitioner pursuant to Iowa Code chapter 152, and is employed in the practice of nursing in an eligible service commitment area.

“*Eligible loan*” means the advanced registered nurse practitioner’s or physician assistant’s total subsidized, unsubsidized, and consolidated Federal Stafford Loan amount under the Federal Family Education Loan Program, ~~or the~~ Federal Direct Loan Program, federal Graduate PLUS loan, or federal Perkins Loan, including principal and interest. Only the outstanding portion of a federal consolidation loan that was used to repay an eligible subsidized or unsubsidized Federal Stafford Loan qualifies for loan repayment.

“*Eligible university*” means ~~either the State University of Iowa Carver College of Medicine or Des Moines University College of Health Sciences~~ a college or university that meets the requirements of Iowa Code section 261.2, subsection 11, and is an institution of higher learning under the control of the state board of regents or an accredited private institution as defined in Iowa Code section 261.9. An eligible university must complete and return the forms to the commission to participate in the program.

ITEM 3. Adopt the following **new** definition in rule **283—25.2(261)**:

“*Surplus funds*” means funding available after the maximum award has been obligated to all recommended applicants in accordance with rule 283—25.3(261).

ITEM 4. Adopt rule 283—25.3(261) as follows:

283—25.3(261) Eligibility requirements.

25.3(1) The commission will annually determine and communicate the number of physician assistant and advanced registered nurse practitioner recommendations that can be funded ~~in each physician assistant studies degree program or doctorate of nursing practice degree program~~ at each eligible university. The intent of this determination will be to ensure that an equal number of students in each program at an eligible university

universities are able to enter into an agreement. Priority will be given to applicants who are Iowa residents upon enrolling in the eligible university. The criteria used by the state board of regents to determine residency for tuition purposes, Iowa Administrative Code rule 681—1.4(262), are adopted for this program. If fewer than the maximum number of ~~recommendations of students in either a physician assistant studies degree program or doctorate of nursing practice degree program~~ physician assistants or advanced registered nurse practitioners are recommended at ~~one~~ an eligible university, the commission may obtain additional recommendations from the other eligible ~~university~~ universities to award the remaining agreements.

~~25.3(2) An applicant must enter into an agreement with the commission when during the applicant begins curriculum applicant's final year of study leading to a doctor of nursing practice degree or a master's degree in physician assistant studies~~ eligibility for licensure as an advanced registered nurse practitioner or physician assistant.

~~25.3(3) An applicant must remain be enrolled on a full-time basis in each term of enrollment and graduate from an eligible university with a doctor of nursing practice degree or a master's degree in physician assistant studies from an eligible university~~ graduate-level credential that qualifies the applicant to work as a physician assistant or advanced registered nurse practitioner. The commission may waive the full-time enrollment requirement for a temporary time frame only in the instance of a leave of absence approved by an eligible university. The applicant must request a waiver from the commission in writing.

~~25.3(4) Within nine months of graduating with a doctor of nursing practice degree or a master's degree in physician assistant studies from an eligible university, an applicant must receive a permanent license to practice nursing or to work as a physician assistant in the state of Iowa and engage in full-time practice, as defined by the service commitment area, as a an advanced registered nurse practitioner or physician assistant for a period of 60 five consecutive months years in a service commitment area.~~

~~25.3(5) An applicant must annually complete and return to the commission an affidavit of full-time enrollment at an eligible university and, when applicable, an affidavit of completion of the employment obligation in a service commitment area.~~

~~25.3(6) Prior to or upon engagement in full-time employment in a service commitment area, the advanced registered nurse practitioner or physician assistant must contract with the service commitment area to provide a nonrefundable \$2,000 contribution for deposit in the rural Iowa advanced registered nurse practitioner and physician assistant trust fund. Payment must be received by the commission from the service commitment area prior to payment of any loan repayment awards to the advanced registered nurse practitioner or physician assistant.~~

~~25.3(7) Failure by the applicant to meet all eligibility requirements under these rules and in the agreement will result in forfeiture of all remaining unpaid payments.~~

ITEM 5. Adopt rule 283—25.4(261) as follows:

283—25.4(261) Awarding of funds.

~~25.4(1) Prior to accepting an offer of employment, the advanced registered nurse practitioner or physician assistant must notify the commission of the service commitment area in which the advanced registered nurse practitioner or physician assistant will be employed, and the commission will verify the eligibility of the service commitment area.~~

~~25.4(2) The maximum award will be paid to the advanced registered nurse practitioner or physician assistant's eligible loan lender in one installment five equal installments, upon successful completion of the 60-month each of the five 12-month employment obligation obligations. Failure to complete all, or any portion, of the 60 consecutive month five-consecutive-year employment obligation will result in the forfeiture of all remaining unpaid payments. An advanced registered nurse practitioner or physician assistant who fails to meet the requirements of these rules may also be subject to repayment of moneys advanced by the service commitment area as provided in any contract between the advanced registered nurse practitioner or physician assistant and the service commitment area.~~

~~25.4(3) No loan repayment amounts will be paid until the service commitment area provides the nonrefundable \$2,000 contribution for deposit into the rural Iowa advanced registered nurse practitioner and physician assistant trust fund.~~

~~25.4(4) If surplus funds are available, the commission will accept applications from physician assistants and advanced registered nurse practitioners practicing full-time in service commitment areas. Recipient~~

selections shall be evenly divided between physician assistants and advanced registered nurse practitioners, to the extent possible. If surplus funds are not sufficient to fund all applicants, physician assistant and advanced registered nurse practitioner applicants will be prioritized by Iowa residency status, full-time employment status, individuals working in a federally designated Health Professional Shortage Area (HPSA) or a Governor's Designated Rural Health Clinic county, total eligible student loan debt (highest receiving priority), and application date (earliest submitted receiving priority). Recipients will enter into agreements with the commission, and payments will be made in accordance with subrules 25.4(2) and 25.4(3).

ITEM 6. Adopt rule 283—25.5(261) as follows:

283—25.5(261) Waivers.

25.5(1) *Service commitment area.* The commission may waive the requirement that the advanced registered nurse practitioner or physician assistant practice in the same service commitment area for ~~at least 60 months~~ five years. The advanced registered nurse practitioner or physician assistant must request a waiver from the commission in writing.

25.5(2) *Full-time employment.* The commission may waive the requirement that the advanced registered nurse practitioner or physician assistant be employed full-time if the advanced registered nurse practitioner or physician assistant demonstrates exceptional circumstances. The advanced registered nurse practitioner or physician assistant must request a waiver from the commission in writing. If a waiver request is granted by the commission, the agreement will be amended to provide an allowance for part-time employment. The ~~60-month~~ five-year employment obligation will be proportionally extended to ensure the advanced registered nurse practitioner or physician assistant is employed in a service commitment area for the equivalent of ~~60~~ five full-time ~~months~~ years.

25.5(3) and 25.5(4) No change.

ITEM 7. Adopt **283—Chapter 25**, implementation sentence, as follows:

These rules are intended to implement Iowa Code section 261.114 as amended by 2014 Iowa Acts, Senate File 2347.

Iowa College Student Aid Commission

**Legislative Action Committee
September 2014**

A legislative report will be provided during the September 26, 2014 Commission Meeting.

IOWA COLLEGE STUDENT AID COMMISSION
OPERATING FUND 0163 - YEAR TO DATE/PRIOR YEAR ACTUAL COMPARISON BY UNIT
SUMMARY OF RESOURCES AND EXPENDITURES
SFY 2014 as of June 30, 2014

Operating Fund		FY 2014	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	YTD Actual
Class	Operating	Year to Date	Jun-13	Jun-14	Year to Date	Year to Date	to Budget	Variance
	Budget	Budget	Mth Actual	Mth Actual	Actuals	Actuals		
Revenues/Resources:								
1	Payments from Great Lakes (3004)	5,532,559	5,532,559	-	-	355,086	6,564,874	1,032,315
2	Interest on Operating Fund (2001)	-	-	-	5,033	124,874	63,456	63,456
3	Other Revenue	-	-	-	-	4,259,445	7,120	7,120
4	PLP Rev * (8008)	500,000	500,000	-	-	460,786	303,982	(196,018)
5	Intra-Agency Reimbursements	2,702,030	2,702,030	3,622	21,089	7,487	2,350,365	(351,665)
Total Revenues/Resources		\$ 8,734,589	\$ 8,734,589	\$ 3,622	\$ 26,122	\$ 5,207,678	\$ 9,289,797	\$ 555,208
Expenditures:								
6	Agency Administration (2001)	2,243,137	2,243,137	16,321	7,499	1,181,453	1,832,834	(410,303)
7	Marketing Administration (2002)	589,363	589,363	(6,973)	(4,175)	290,934	454,144	(135,219)
Total Administrative		\$ 2,832,500	\$ 2,832,500	\$ 9,348	\$ 3,324	\$ 1,472,387	\$ 2,286,978	\$ (545,522)
8	FFELP Expense (3003/3004)	12	12	2,045	62	2,255,260	9,116	9,104
9	Collection Expense - PLP (8008)	184,578	184,578	8,928	130	148,305	119,181	(65,397)
Total FFELP and Collection Expenses		\$ 184,590	\$ 184,590	\$ 10,973	\$ 192	\$ 2,403,565	\$ 128,297	\$ (56,293)
10	IHAPI (7002/7003)	1,886,014	1,886,014	49	6,726	1,130,245	1,754,924	(131,090)
Total IHAPI		\$ 1,886,014	\$ 1,886,014	\$ 49	\$ 6,726	\$ 1,130,245	\$ 1,754,924	\$ (131,090)
11	Osteopathic programs (2004)	0	0	0	0	0	0	-
12	Scholarship and Grants (5002)	1,169,358	1,169,358	3,431	3,489	248,640	959,853	(209,505)
13	Postsecondary Registration (5003)	320,569	320,569	0	0	105,895	347,288	26,719
Total Osteo, S&G, Postsecondary Reg		\$ 1,489,927	\$ 1,489,927	\$ 3,431	\$ 3,489	\$ 354,534	\$ 1,307,140	\$ (182,787)
Total Operating Expenses		6,393,031	6,393,031	23,801	13,731	5,360,731	5,477,339	(915,692)
Net resources (exp) before other		\$ 2,341,558	\$ 2,341,558	\$ (20,179)	\$ 12,391	\$ (153,053)	\$ 3,812,458	\$ 1,470,900
Federal Grant Resources (Grant Drawdown)								
14	Gear Up Grant (9009)	3,086,267	3,086,267	-	-	2,772,504	3,328,021	241,754
15	Gear Up Scholarship (9001)	200,000	200,000	-	-	-	182,000	(18,000)
16	JR Justice (4001)	50,000	50,000	-	-	59,684	-	(50,000)
Total Other Resources		\$ 3,336,267	\$ 3,336,267	\$ -	\$ -	\$ 2,832,188	\$ 3,510,021	\$ 173,754
Federal Grant Expenditures (grants)								
17	Gear Up Grant (9009)	3,674,692	3,674,692	537,536	223,530	3,297,873	3,559,492	(115,200)
18	Gear Up Trust Payment -From operating/VISTA (7001)	1,680,000	1,680,000	0	0	1,750,472	1,694,013	14,013
19	Gear Up Scholarship (9001)	259,091	259,091	0	10,726	0	162,852	(96,239)
20	JR Justice (4001)	89,649	89,649	5,551	1,048	61,084	35,941	(53,708)
Total Other Expenditures		\$ 5,703,432	\$ 5,703,432	\$ 543,087	\$ 235,304	\$ 5,109,429	\$ 5,452,298	\$ (251,134)
Net Other Income		\$ (2,367,165)	\$ (2,367,165)	\$ (543,087)	\$ (235,304)	\$ (2,277,241)	\$ (1,942,277)	\$ 424,888
Net Gain(Loss)Operating Fund		\$ (25,607)	\$ (25,607)	\$ (563,266)	\$ (222,913)	\$ (2,430,294)	\$ 1,870,181	\$ 1,895,788

Footnotes:

4 - Total cash receipts, includes principal and interest

**IOWA COLLEGE STUDENT AID COMMISSION
OPERATING FUND 0163 - YEAR TO DATE UNIT DETAIL
SUMMARY OF RESOURCES AND EXPENDITURES
SFY 2014 as of June 30, 2014**

Operating Fund	UNIT 2001	UNIT 2002	UNIT 2004	UNIT 3003/3004	UNIT 4001	UNIT 5002	UNIT 5003	UNIT 7001	UNIT 7003	UNIT 8008	UNIT 9001	UNIT 9009	YTD ACTUAL	YTD BUDGET	YTD Actual to Budget	
	ADMIN	MARKETING	OSTEO	FFELP	JR JUSTICE	S&G	POSTSEC REG	GU SCH/VISTA	IHAPI	PLP	GEAR UP SCH	GEAR UP	TOTAL	TOTAL	Variance	
Revenues/Resources:																
1	Payments from Great Lakes	-	-	-	6,564,874	-	-	-	-	-	-	-	6,564,874	5,532,558	1,032,316	
2	Interest on Operating Fund	63,456	-	-	-	-	-	-	-	-	-	-	63,456	-	63,456	
3	Other Revenue	-	433	270	720	-	-	489	-	-	-	-	1,912	1	1,911	
4	PLP Rev *	-	-	-	-	-	-	-	-	303,982	-	-	303,982	500,000	(196,018)	
5	Intra-Agency Reimbursements	1,836,382	454,144	-	-	-	19,839	-	40,000	-	-	-	2,350,365	2,702,030	(351,665)	
6	Grant DrawDown from USDE	-	-	-	-	-	-	-	-	-	182,000	3,328,021	3,510,021	3,336,267	173,754	
7	Gov Transfer In Other Agencies	-	-	-	-	-	-	-	2,000	-	-	-	2,000	-	2,000	
8	Fees, Licenses & Permits	-	-	-	-	-	-	-	3,208	-	-	-	3,208	-	3,208	
Total Revenues/Resources		\$ 1,899,838	\$ 454,577	\$ 270	\$ 6,565,594	\$ -	\$ 19,839	\$ -	\$ 489	\$ 45,208	\$ 303,982	\$ 182,000	\$ 3,328,021	\$ 12,799,818	\$ 12,070,856	\$ 728,962
Expenditures:																
7	Personal Services	1,401,085	322,505	-	-	-	29,346	186,508	-	431,570	-	382,539	2,753,553	2,998,296	(244,743)	
8	Travel	11,285	6,575	-	-	-	2,365	516	-	12,565	-	155,880	189,186	212,470	(23,284)	
9	Office Supplies	20,169	1,796	-	-	-	311	25	-	877	-	510	23,688	23,515	173	
10	Equipment Repairs	-	-	-	-	-	-	-	-	-	-	-	-	1,300	(1,300)	
11	Professional & Scientific Supplies	169	41	-	-	-	-	-	-	-	-	-	210	-	210	
12	Printing and Binding	525	69,148	-	-	-	-	-	2,698	-	-	18,018	90,389	132,800	(42,411)	
13	Food	235	-	-	-	-	-	-	-	-	-	327	562	150	412	
14	Postage	4,416	18,194	-	77	-	1,724	-	7	-	-	4,971	29,389	39,001	(9,612)	
15	Communications	18,992	1,633	-	-	-	3,172	881	-	6,147	-	5,933	36,758	53,663	(16,905)	
16	Rentals	60	-	-	-	-	-	-	-	-	-	-	60	65,263	(65,203)	
17	Professional & Scientific Services	5,000	1,000	-	-	-	3,802	-	2,460	-	-	25,000	37,262	21,501	15,761	
18	Outside Services - Other	4,961	-	-	-	-	5,713	-	-	-	-	86,105	10,524	157,501	(50,198)	
19	Intra-State Transfers	72,060	-	-	-	-	-	-	-	-	-	-	125,614	197,674	(72,060)	
20	Advertising & Publicity	-	25,804	-	-	-	-	-	-	855	-	-	814,595	841,254	(26,659)	
21	Attorney General	30,395	-	-	-	-	-	-	-	-	-	-	30,395	14,101	16,294	
22	State Audits	16,002	-	-	-	-	-	-	-	-	-	-	16,002	34,125	(18,123)	
23	State Reimbursements - Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	State Reimbursements - Other	21,976	70	-	8,269	-	1,652	210	-	1,421	-	919	34,517	26,332	8,185	
25	ITE Reimbursements	115,206	963	-	-	-	1,646	221	13	1,392	-	1,015	120,456	175,334	(54,878)	
26	IT Outside Services	24,915	-	-	-	-	158,391	-	-	-	-	-	183,306	-	183,306	
27	Intra-Agency Reimbursements	-	-	-	-	35,941	750,546	158,927	-	690,267	31,891	57,987	2,292,677	2,702,030	(409,353)	
28	Equipment	-	6,415	-	-	-	-	-	-	-	-	-	6,415	-	6,415	
29	Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	IT Equipment & Software	78,705	-	-	-	-	1,185	-	-	2,165	1,185	-	87,018	4,000	83,018	
31	Other Expenses & Obligations	730	-	-	-	-	-	-	-	-	-	-	730	222,700	(221,970)	
32	Licenses	-	-	-	-	-	-	-	602,500	-	-	42,750	645,250	564,555	80,695	
33	Other Refunds	5,948	-	-	770	-	-	-	-	-	-	-	6,718	1,000	5,718	
34	State Aid	-	-	-	-	-	-	-	1,680,000	-	-	104,865	3,184,865	3,325,000	(140,135)	
35	Aid to Individuals	-	-	-	-	-	-	-	14,000	-	-	-	14,000	-	14,000	
Total Expenditures		\$ 1,832,834	\$ 454,144	\$ -	\$ 9,116	\$ 35,941	\$ 959,853	\$ 347,288	\$ 1,694,013	\$ 1,754,924	\$ 119,181	\$ 162,852	\$ 3,559,492	\$ 10,929,637	\$ 12,096,463	\$ (1,166,826)
Net Gain(Loss)Operating Fund		\$ 67,004	\$ 433	\$ 270	\$ 6,556,478	\$ (35,941)	\$ (940,014)	\$ (347,288)	\$ (1,693,524)	\$ (1,709,716)	\$ 184,801	\$ 19,148	\$ (231,471)	\$ 1,870,181	\$ (25,607)	\$ 1,895,788

Footnotes:
4 - Total cash receipts, includes principal and interest

IOWA COLLEGE STUDENT AID COMMISSION
SCHOLARSHIP & GRANT ADMINISTRATION
SUMMARY OF EXPENDITURES
SFY 2014 as of June 30, 2014

State Appropriated - \$250,109

	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2014</i>	<i>FY 2014</i>	<i>Variance</i>
	<i>Actual</i>	<i>Budget</i>	<i>Year to Date</i>	<i>Year to Date</i>	<i>Over</i>
			<i>Budget</i>	<i>Actual</i>	<i>(Under)</i>
Expenditures:					
1 Salaries	\$ 253,481	\$ 232,361	232,361	\$ 232,420	\$ 59
2 Travel	-	582	582	-	(582)
3 Office Supplies	-	-	-	-	-
4 Equipment Repairs	-	-	-	-	-
5 Printing	-	-	-	-	-
6 Postage	-	-	-	-	-
7 Communications	-	-	-	-	-
8 Rental	-	-	-	-	-
9 Professional Services	-	-	-	-	-
10 Outside Services	-	-	-	-	-
11 State Transfers	-	-	-	17,689	17,689
12 State Reimbursements - Rent	-	-	-	-	-
13 State Reimbursements	-	-	-	-	-
14 ITD Reimbursements	-	17,166	17,166	-	(17,166)
15 Office Equipment	-	-	-	-	-
16 IT Equipment & Software	-	-	-	-	-
17 Other Expenses & Obligations	-	-	-	-	-
Total Expenditures	\$ 253,481	\$ 250,109	\$ 250,109	\$ 250,109	\$ -

Non Appropriated (Covered by Operating Fund 0163-Unit 5002)

	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2014</i>	<i>FY 2014</i>	<i>Variance</i>
	<i>Actual</i>	<i>Budget</i>	<i>Year to Date</i>	<i>Year to Date</i>	<i>Over</i>
			<i>Budget</i>	<i>Actual</i>	<i>(Under)</i>
Expenditures:					
18 Salaries	201,348	-	-	29,346	29,346
19 Travel	4,485	5,400	5,400	2,365	(3,035)
20 Office Supplies	163	1,500	1,500	311	(1,189)
21 Professional Services	-	-	-	3,802	3,802
22 Printing	598	1,000	1,000	-	(1,000)
23 Postage	2,927	4,000	4,000	1,724	(2,276)
24 Communications	3,135	2,774	2,774	3,172	398
25 Rental	-	-	-	-	-
26 Outside Services	7,627	12,000	12,000	5,713	(6,287)
27 State Transfers	20,538	30,831	30,831	-	(30,831)
28 State Reimbursements - Rent	-	-	-	-	-
29 State Reimbursements	5,663	1,820	1,820	1,652	(168)
30 ITD Reimbursements	778	1,425	1,425	1,646	221
31 Intra-Agency Reimbursements	324,509	1,106,608	1,106,608	750,546	(356,062)
32 Office Equipment	-	-	-	-	-
33 IT Equipment & Software	1,377	2,000	2,000	1,185	(815)
34 IT Outside Services	-	-	-	158,391	-
35 Other Expenses & Obligations	-	-	-	-	-
Total Expenditures	\$ 573,148	\$ 1,169,358	\$ 1,169,358	\$ 959,853	\$ (209,505)

Notes:

31 - Intra-Agency reimbursements reflects the charges for Administration and Marketing for ICSAC. Charges are allocated based on Estimated Time Allocation.

Total Expenditures (Appropriated + Non-Appropriated)

	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2014</i>	<i>FY 2014</i>	<i>Variance</i>
	<i>Actual</i>	<i>Budget</i>	<i>Year to Date</i>	<i>Year to Date</i>	<i>Over</i>
			<i>Budget</i>	<i>Actual</i>	<i>(Under)</i>
Expenditures:					
36 Salaries	\$ 454,829	\$ 232,361	232,361	\$ 261,766	\$ 29,405
37 Travel	4,485	5,982	5,982	2,365	(3,617)
38 Office Supplies	163	1,500	1,500	311	(1,189)
39 Equipment Repairs	-	-	-	3,802	3,802
40 Printing	598	1,000	1,000	-	(1,000)
41 Postage	2,927	4,000	4,000	1,724	(2,276)
42 Communications	3,135	2,774	2,774	3,172	398
43 Rental	-	-	-	-	-
44 Outside Services	7,627	12,000	12,000	5,713	(6,287)
45 State Transfers	20,538	30,831	30,831	-	(30,831)
46 State Reimbursements - Rent	-	-	-	17,689	17,689
47 State Reimbursements - Other	5,663	1,820	1,820	1,652	(168)
48 ITD Reimbursements	778	1,425	1,425	1,646	221
49 Intra-Agency Reimbursements	324,509	1,123,774	1,123,774	750,546	(373,228)
50 Office Equipment	-	-	-	-	-
51 IT Equipment & Software	1,377	2,000	2,000	1,185	(815)
52 IT Outside Services	-	-	-	158,391	158,391
52 Other Expenses & Obligations	-	-	-	-	-
Total Expenditures	\$ 826,629	\$ 1,419,467	\$ 1,419,467	\$ 1,209,962	\$ (209,505)

**IOWA COLLEGE STUDENT AID COMMISSION
 DEFAULT PREVENTION, FUND #0261
 SUMMARY OF RESOURCES AND EXPENDITURES
 SFY 2014 as of June 30, 2014**

	FY 2014 Budget	FY 2014 Year to Date Budget	FY 2014 Year to Date Actuals	Variance
Resources:				
Interest	3,000	3,000	3,179	179
Refunds & Reimbursements	0	0	0	0
Total Resources	3,000	3,000	3,179	179
Expenditures:				
Travel/State Vehicle	0	0	0	0
Office Supplies	0	0	0	0
Printing & Binding	0	0	0	0
Professional & Scientific Services	0	0	0	0
Outside Services	0	0	0	0
Advertising & Publicity	0	0	0	0
ITD Reimbursement	0	0	0	0
Licenses	600,000	600,000	825,000	225,000
Aid to Individuals	0	0	0	0
Total Expenditures	600,000	600,000	825,000	225,000
Net Gain(Loss)	(597,000)	(597,000)	(821,821)	(224,821)
Default Prevention Cash Balance 7/1/2013	1,449,069			
Net Gain/(Loss) SFY 2014 06/30/2014	(821,821)			
Cash Balance 06/30/2014	627,248			

Iowa College Student Aid Commission

Postsecondary Registration September 2014

Postsecondary Registration Approvals

Staff has approved the following noncontroversial registration applications since the last Commission Meeting on July 18, 2014. Please see the Postsecondary Registration section of the Commission's Website and search by school name for staff's registration approval evaluation.

<https://www.iowacollegeaid.gov/content/postsecondary-registration>

Walden University
Prince Institute
University of Saint Mary

Anthem College Online Abruptly Closes September 1

In late July, staff became aware that Anthem College, a for-profit on-ground and online program provider, was in financial distress and seeking a buyer. At that time, staff requested and received from Anthem College contact and programmatic information for four Iowa-resident students enrolled in College's online programs.

On Monday, August 25, Anthem College and its parent company filed for bankruptcy, which automatically terminated the College's federal student aid eligibility. Staff provided email alerts, advice, and Commission contact information to Anthem's Iowa-resident students on Tuesday, August 26 and again on Thursday, August 28, when staff learned that the Anthem campus supporting its online programs would close on the following day. Anthem College notified Iowa-resident online program students on Friday, August 29 that the College would cease instruction in its online programs on the Monday, September 1.

Staff determined that two Iowa residents were still in attendance in an Anthem College online program when the school closed. (A third student graduated the week before the school filed for bankruptcy; the College showed a fourth student actively enrolled but the student reports she never began attendance.) The Arizona state regulator, who authorized the Arizona campus that supported the

online programs, coordinated agreements between Anthem and three, regionally accredited, for-profit online program providers who will accept Anthem students on transfer and provide them an opportunity to complete their programs. Anthem College notified its online students about these three transfer partners on Friday, August 29, when it notified students that the College would close. All three transfer partners are authorized in Iowa to provide online programs to Iowa residents. All three have the requisite bond and state tuition refund policy in place to protect Iowa resident students.

Later on Friday, August 29, Anthem online students received an email from an “SNottingham” at “anthem.edu” notifying them of a “teach-out partner option” at Everest University Online, a Corinthian Colleges school that, under an agreement with the federal Department of Education, must be sold by the end of 2014 (see below for more about Corinthian Colleges, Inc.). Neither the Arizona regulator nor Anthem College’s accrediting agency, ACICS, report approving a teach-out plan for Anthem College students at Everest University. Staff also notified the federal Department of Education and the Iowa Attorney General’s office about this development. The federal Department of Education states that it placed no restrictions on Everest University enrollment. Therefore, staff believes that the federal Department of Education is not likely to initiate an inquiry about the origin of the notice Anthem College students received about a teach-out option at Everest University. However, the Iowa Attorney General’s office and Anthem College’s accrediting agency, ACICS, are reviewing the matter.

Both impacted Iowans promptly chose their preferred school from the list of bona fide transfer partners and have initiated contact with the new school to begin the admissions process. Staff will continue to stay in contact with impacted Iowans as they learn what debts they may owe Anthem for the program they could not complete. At the suggestion of the Iowa Attorney General’s Office, staff provided both Iowa resident Anthem College students instructions for initiating the Attorney General’s complaint process, relating to Anthem College’s private education loans. Staff verified in late July that Anthem maintained a current, corporate surety bond payable to the State of Iowa and adopted the minimum tuition refund policy for students who withdraw. Staff requested that agency counsel make preparations for claiming funds from the surety bond if it becomes necessary to financially compensate Iowans.

UPDATE – Corinthian Colleges, Inc.

Corinthian Colleges, Inc. is a publicly traded corporation that owns five, for-profit school “brands.” It has Iowa residents enrolled in four of its brands: Everest College – Phoenix (online), Everest University Online, WyoTech (residential, vocational programs located at campuses in Wyoming and Pennsylvania), and QuickStart (a non-credential, vocational school located in Des Moines).

On July 3, 2014 the USDE [announced](#) that the USDE and Corinthian Colleges, Inc. signed a [transition plan](#) in which the USDE relaxed its restrictions on Corinthian's access to federal student aid funding. However, over the course of the remainder of 2014, Corinthian must sell or close its [85 US schools](#). Corinthian designated 12 schools for closure and the remainder for sale. The federal Department of Education reserves the right to take more stringent action against Corinthian, including further delaying or even terminating access to federal student aid for some of the Corinthian institutions. If Corinthian cannot sell a school, the school may close. More about the Corinthian Colleges appears on the Commission's web site at <https://www.iowacollegeaid.gov/content/corinthian-colleges-inc>.

In early July, the federal Department of Education initiated weekly conference calls with interested state regulators and accrediting agencies to keep its oversight partners informed about developments concerning the Corinthian institutions. The federal Department of Education reports that it is disbursing steadily decreasing amounts of federal student aid to the Corinthian Colleges and attributes this to decreasing enrollment. The states of Iowa, Minnesota, and Wisconsin have initiated full or partial bans on new student enrollment at the Corinthian Colleges. The California Department of Veterans Affairs terminated Corinthian College's authorization to receive veterans' educational benefits. In August, the federal Department of Education also reports that it terminated federal student aid eligibility at three Corinthian College campuses due to the failure of the schools to meet its fiduciary responsibilities. Also in August, Corinthian Colleges received a subpoena from the U.S. Attorney's office in Los Angeles pursuant to a criminal probe. During the second week in September, the federal Department of Education stated it learned that Corinthian had designated another four schools for closure, but the Department had thus far been unable to determine which four campuses would be impacted. While the federal Department of Education reports that it has received inquiries from certain unnamed parties about purchasing the Corinthian Colleges schools, there is no substantive discussion about the sale of the Corinthian Colleges schools at this time. On September 16, the federal Consumer Financial Protection Bureau sued Corinthian “. . .for its illegal predatory lending scheme.”

On July 14, 2014, the Iowa College Student Aid Commission (the Commission) notified Corinthian Colleges, Inc., that it must cease new Iowa-resident enrollment because of its failure to comply with Iowa's registration and other student consumer protection laws. However, the Commission advised that the corporation was permitted to teach out its currently enrolled Iowa resident students. That limited operating authority was conditioned on the corporation filing “evidence of financial responsibility” as required under Iowa Code Section 714.18, including compliance with Iowa's tuition refund policy for students who withdraw from for-profit schools. Initially, these financial protections applied to Iowa residents completing programs at Everest College – Phoenix, Everest

University, and QuickStart. However, on August 4, 2014, the Commission notified the corporation that the requisite financial responsibility filing also applied to Iowa-resident students completing programs at WyoTech. Commission staff discovered that the corporation had been soliciting a full-time recruiter in the Des Moines area for WyoTech which brought WyoTech under Iowa's student consumer protection laws. The Commission gave the corporation a deadline of September 15, 2014, to demonstrate compliance.

On September 15, 2014, staff contacted Corinthian Colleges' Director of Accreditation and Licensing, Renee Gaddis, by phone. Ms. Gaddis stated that nothing had been done to implement the Commission's financial responsibility requirements for Iowa residents that the corporation is teaching out, and she took full responsibility for that fact. Ms. Gaddis stated that, to her knowledge, there was not an issue with obtaining bonds to provide financial protection for Iowa residents the corporation is teaching out. Ms. Gaddis stated she would initiate the request for the bonds immediately and estimated that it would take approximately two weeks to process the bond requests. Staff will give Corinthian until on or about Monday, October 29, to demonstrate compliance with the financial responsibility requirements of Iowa law, and requested that Ms. Gaddis keep staff informed of her progress.

Federal Department of Education Sanctions ITT Technical Institute

ITT Technical Institute (the Institute) is owned by ITT Educational Services, a publicly-traded, for-profit educational corporation. The Institute has Iowa residents enrolled in residential programs at its Clive, Iowa campus as well as in its purely online programs.

On August 22, 2014, the Institute notified staff that it had received a sanction notice from the USDE relating to the school's failure to timely submit audited financial statements and a compliance audit.

As a result, the federal Department of Education requires ITT to post an irrevocable letter of credit for a period of five years and will place the Institute on provisional certification to participate in the federal student aid programs for a period of three years. In addition, the Institute will be subject to "heightened cash monitoring". This process requires the Institute to credit student accounts with the amount of federal student aid for which students are eligible, and then submit records to the federal Department of Education substantiating the students' eligibility before it may receive reimbursement from federal student aid funds.

Staff questioned the Institute about the impact of the federal Department of Education's heightened cash management sanction on the Institute's operations and financial obligations. The Institute replied that it anticipated the impact on the Institute would be minimal and was not expected to create cash flow issues for the Institute.

EDMC & Lenders Agree to Financial Restructuring Plan

Education Management Corporation (EDMC) is a for-profit, publicly-traded educational corporation that has three institutional “brands” in which it enrolls Iowa resident students: Brown-Mackie College (residential programs offered on its campus in Bettendorf, Iowa), South University (online programs), and Argosy University (online programs).

On August 28, EDMC notified staff that it had reached an agreement with its lenders to restructure its debt. Under a two-step plan, a significant portion of EDMC’s \$1.5 billion in debt is converted into equity, reducing its debt to approximately \$400 million.

Creditors holding in excess of 94 percent of the company's aggregate debt including Lenders holding in excess of 98 percent of the company's existing secured bank debt, and the company's principal shareholders have signed the agreement.

The plan may result in the transfer of the controlling interest of voting shares of EDMC stock. EDMC currently has a large number of shareholders, only one of which owns more than 25 percent of EDMC’s common stock. After both steps of the restructuring plan have been accomplished, the number of EDMC shareholders will be increased and no individual shareholder (whether becoming a shareholder before or after the restructuring) will own 25 percent or more of EDMC’s common stock. EDMC states that, after the restructuring, no shareholder would have the ability to control EDMC or any of the Institutions. EDMC will remain the parent company of its institutions. The institutions themselves will remain operationally identical. There will be no change to the institutions’ existing programs, degree nomenclature, or academic offerings. There will be no change to the operations, personnel, educational offerings, or management of any of the institutions.

An EDMC representative invited staff to engage in conversation about the restructuring plan and its impact on its subsidiary institutions that provide programs to Iowa residents. After this conversation, staff is not certain that the EDMC restructuring plan would result in a change in ownership or control that necessitated re-evaluation of its institutions’ authority to operate in Iowa. Staff requested that EDMC keep us informed as the restructuring plan is implemented and will evaluate the impact of events as they occur.