
IOWA

FINAL GRADING ANALYSIS

OVERALL SCORE: **319.5/700 POINTS (46%)**
LETTER GRADE: **F**

I. OVERSIGHT BODY: **53/100 POINTS**

- A. IS THERE A STATUTORILY CREATED OVERSIGHT BODY THAT IS PUBLICLY ACCOUNTABLE?
50/60 POINTS

Element	Points Available	Points Awarded
1. Oversight body is a multi-member board, commission, or panel created by statute	10	10
2. Oversight body was statutorily created specifically to oversee private postsecondary institutions	10	0
3. Multi-member board, commission, or panel is the ultimate decision maker (as opposed to a single person, like the head of a department or director)	10	10
4. Oversight body can engage in rulemaking	10	10
5. Oversight body's meetings must be open to the public	5	5
6. Oversight body's meetings must allow public comment	5	5
7. Oversight body can initiate investigations	5	5
8. Oversight body can impose penalties for violations	5	5
Total Points	60	50

Explanation:

The College Student Aid Commission has the authority to oversee private postsecondary institutions in Iowa. (Iowa Code § 261.1; §261.2(7).) The Commission's authority is not limited to private postsecondary institutions. Among its duties, the Commission has authority to engage in rulemaking, initiate investigations, and impose penalties for violations. (Iowa Code § 261B.12.) Iowa law provides an opportunity for public comment and for meetings of the Commission at which rules are discussed to be open to the public. (Iowa Code § 17A.4; 283 IAC 2.5.)

B. STATUTE-SPECIFIED MEMBERSHIP:

1. TO WHAT EXTENT ARE LIMITATIONS PLACED ON FOR-PROFIT MEMBERSHIP ON THE OVERSIGHT BODY?

0/25 POINTS

Explicit prohibition on for-profit majority, plus no possibility of a majority of the quorum	Explicit prohibition on for-profit majority	Discouraged	No prohibition specified, but not discouraged	For-profit majority mandated
25 Points	20 Points	10 Points	0 Points	-5 points

Explanation:

Iowa’s Student Aid Commission is statutorily mandated to include 14 members. The membership and appointments are as follows:

- 1) A member of the state Board of Regents to be named by the Board, or the executive director of the Board if so appointed by the Board, who serves for a four-year term or until the expiration of the member’s term of office;
- 2) The director of the Department of Education or the director’s designee;
- 3) Two members of the Senate, one appointed by the president of the Senate and one appointed by the minority leader of the Senate, to serve as ex officio, nonvoting members;
- 4) Two members of the House of Representatives, one appointed by the speaker and one appointed by the minority leader, to serve as ex officio, nonvoting members;
- 5) Eight members appointed by the governor. Iowa requires that one of these members is selected to represent private colleges and universities located in the state of Iowa. Notably, Iowa requires that the governor, in making this appointment, give careful consideration to any person or persons nominated or recommended by any organization or association of some or all private colleges and universities located in the state of Iowa. One of the members shall be selected to represent community colleges located in the state of Iowa. Iowa requires one member to be enrolled as a student at a Board of Regents institution, community college, or accredited private institution. Iowa requires one of the eight members appointed by the governor to be a representative of a lending institution located in this state and one to be an individual who is repaying or has repaid a student loan guaranteed by the Commission. The final three of the eight members appointed by the governor must be selected to represent the general public and not official board members or trustees of an institution of higher learning or affiliation of institutions of higher learning. (Iowa Code § 261.1.)

2. IS THE OVERSIGHT BODY MANDATED TO INCLUDE AT LEAST ONE CONSUMER ADVOCATE?

0/10 POINTS

Yes	No
10 Points	0 Points

Explanation:

See explanation above. While Iowa does require student representation on the Commission, the state does not mandate the presence of an experienced consumer advocate on the Commission. (Iowa Code § 261.1.)

3. ARE THE MEMBERS APPOINTED BY A PUBLICLY ACCOUNTABLE OFFICIAL OR ELECTED IN A GENERAL ELECTION?

3/5 POINTS

All	Majority	Half	Minority	None
5 Points	3 Points	2.5 Points	1 Point	0 Points

Explanation:

Aside from the Director of the Department of Education or his designee, the members of the Commission are either elected officials or they are appointed by elected officials. (Iowa Code § 261.1.)

II. STATE OVERSIGHT—EFFICACY:

51/100 POINTS

A. DOES THE STATE REQUIRE ONSITE REVIEW OF PRIVATE POSTSECONDARY INSTITUTIONS?

0/10 POINTS

Mandatory onsite reviews			Discretionary	None
Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct onsite reviews	No review specified
10 Points	8 Points	5 Points	3 Points	0 Points

Explanation:

Iowa requires postsecondary institutions to register every 2 years, however, the state does not require onsite inspections, nor does the state specify discretion for the Commission to do onsite inspections as a condition of registration renewal. (Iowa Code § 261B.3.)

B. DOES THE STATE REQUIRE UNANNOUNCED INSPECTIONS FOR ONSITE REVIEWS?

0/5 POINTS

Required unannounced visits	Discretion to do unannounced visits	No indication
5 Points	3 Points	0 Points

Explanation:

Iowa does not require or authorize the Commission to do unannounced inspections for onsite reviews.

C. DOES THE STATE REQUIRE REGULAR REVIEWS OF PRIVATE POSTSECONDARY APPROVAL TO OPERATE?

20/20 POINTS

Mandatory			Discretionary	None
Every 2 Years or Less	Every 3-5 years	Over 5 years	Discretion to conduct reviews	No review specified
20 Points	15 Points	10 Points	5 Points	0 Points

Explanation:

Iowa requires schools to register with the College Student Aid Commission and to renew the registration every two years. Iowa requires registrations to be amended upon any substantive change in location, program offering, or accreditation. A school makes a substantive change in a program offering when the school proposes to offer or modify a program that requires the approval of the state board of education or any other state agency authorized to approve the school or its program in this state. (Iowa Code § 261B.3(1).)

D. DO THE CRITERIA FOR RENEWAL OF AUTHORIZATION MANDATE A REVIEW OF FACTORS ESSENTIAL TO ACADEMIC AND ETHICAL INTEGRITY?

8.5/20 POINTS

8 of 8	7 of 8	6 of 8	5 of 8	4 of 8	3 of 8	2 of 8	1 of 8	0 of 8
20 Points	17.5 Points	15 Points	12.5 Points	10 Points	7.5 8.5 Points	5 Points	2.5 Points	0 Points

Element	
Admission requirements	
Graduation requirements	
Placement rate	
Completion rate (or graduation rate)	M
Advertising practices	D
Cohort default rate	M
Accreditation status	M
Financial aid policies	

M=Mandatory; D=Discretionary

Explanation:

Iowa requires evidence of accreditation, reviews the school's Stafford loan cohort default rate, and requires information on the graduation rate. Notably, Iowa reviews the average student loan debt upon graduation of students completing programs at the school. Iowa does require some disclosure of advertising practices, but only as to the prohibition on a school's advertising that the school is approved or accredited by the commission or the state of Iowa. Thus, Iowa receives partial credit for advertising. (Iowa Code § 261B.3A, 261B.4.)

E. DOES THE STATE'S OVERSIGHT DISTINGUISH BETWEEN FOR-PROFIT AND NONPROFIT EDUCATIONAL INSTITUTIONS?

5/15 POINTS

Yes, strongly distinguished	Yes, moderately distinguished	Yes, slightly distinguished	Not distinguished
15 Points	10 Points	5 Points	0 Points

Explanation:

Iowa law exempts some nonprofits from registration. (283 IAC 21.10.)

F. DOES THE STATE REQUIRE INCREASED OVERSIGHT/SCRUTINY OF PRIVATE POSTSECONDARY INSTITUTIONS BASED ON POOR PERFORMANCE?

7.5/10 POINTS

Yes, mandatory	Yes, mandatory but limited	Yes, discretionary	Yes, discretionary but limited	No
10 Points	7.5 Points	5 Points	2.5 Points	0 Points

Explanation:

When the Commission or the Commission's designee believes a school is in violation, the Commission must order the school to show cause why it should not issue a cease and desist order to the school. Thus, there is required increased oversight in this regard. However, there are no benchmarks in place to prompt this mandatory increased oversight. The mandatory oversight is limited to circumstances in which the Commissioner or its designee believes the school is in violation of the law. (Iowa Code § 261B.12.)

G. DOES STATE LAW INCLUDE ANY SPECIAL PROTECTIONS FOR VETERANS WHO ATTEND PRIVATE POSTSECONDARY INSTITUTIONS?

10/20 POINTS

Yes	No
20 10 Points	0 Points

Explanation:

Iowa receives partial credit for this element because it has some provisions in place that recognize the unique situation of veterans. Iowa includes in its definition of "accredited private institution," an institution which adopts a policy to offer specified options to a student who is a member, or the spouse of a member if the member has a dependent child, of the Iowa national guard or reserve forces of the United States and who is ordered to national guard duty or federal active duty. (Iowa Code § 261.9 (applies to nonprofit schools); Iowa Code Section 261.61(9) (applies the same protection to for-profit cosmetology arts and sciences and barbering schools who are eligible for the Iowa barber and cosmetology arts and sciences tuition grant program); Iowa Administrative Code 283—21.2(261B) (applies the same special protection to in-state or out-of-state schools that are required to register or that voluntarily register under Iowa Code 261B for the purpose of complying with federal state authorization rules in 34 CFR 600.9, regardless of sector (i.e., public, private nonprofit, private for-profit)).)

III. STATE OVERSIGHT—SCOPE AND INCLUSION: **50/100 POINTS**

A. ARE EXEMPTIONS TO STATE OVERSIGHT COVERAGE LIMITED? **50/100 POINTS**

No exemptions	Few exemptions	Moderate exemptions	Broad exemptions
100 Points	75 Points	50 Points	0 Points

Explanation:

Iowa provides moderate exemptions to state oversight. (Iowa Code § 261B.11.) Several of these exemptions are common sense exemptions that would not hinder protection of students, and many of the exemptions are intended to exempt long-standing, Iowa originating institutions. However, some exemptions allow for the exemption of several private for-profit schools and as such, weaken protections in place for students attending those schools.

IV. DISCLOSURE REQUIREMENTS: **30/100 POINTS**

A. ARE INSTITUTIONS REQUIRED TO DISCLOSE INSTITUTIONAL PERFORMANCE MEASURES TO POTENTIAL STUDENTS? **0/20 POINTS**

Yes, mandatory	Yes, discretionary	None
Fact sheet or equivalent required to be given to students	Fact sheet or documents given to students upon request	No fact sheet required
20 Points	10 Points	0 Points

B. WHICH INSTITUTIONAL PERFORMANCE DISCLOSURES ARE REQUIRED TO BE GIVEN TO STUDENTS PRIOR TO ENROLLMENT? **20/60 POINTS**

Disclosures	Mandatory	Discretionary	Not specified
Cohort default rate (CDR)	10 Points	5 Points	0 Points
Graduation / completion rates	10 Points	5 Points	0 Points
Placement rates	10 Points	5 Points	0 Points
Wage information	10 Points	5 Points	0 Points
License exam passage rates	10 Points	5 Points	0 Points
Methods & sources used to calculate	10 Points	5 Points	0 Points

Explanation:

Iowa law requires proprietary schools that are not eligible for federal student financial aid under Title IV of the federal Higher Education Act of 1965 to inform students, prior to the time when a student is obligated for payment of any moneys, of the percentage of students who successfully complete the

postsecondary program. If claims are made by the proprietary school as to successful placement of students in jobs upon completion of the proprietary school’s postsecondary educational programs, the proprietary school must provide information related to job placement to potential students. Finally, if claims are made by the proprietary school as to income levels of students who have graduated and are working in fields related to the proprietary school’s postsecondary educational programs, the proprietary school must inform the student of the method used to derive such information. Iowa receives partial credit only for these elements because (1) only proprietary schools that are NOT eligible for student financial aid under Title IV of the Higher Education Act of 1965 are subject to these requirements, and (2) for “license exam passage rates” and “wage information,” disclosures are required only if the school makes claims regarding either of these elements. (Iowa Code §714.25.)

**C. DOES THE STATE REQUIRE SCHOOLS TO DISCLOSE
ELEMENTS ESSENTIAL TO STUDENT PROTECTION PRIOR TO
ENROLLMENT OR IN THE ENROLLMENT CONTRACT?**

10/20 POINTS

Element description	Mandatory	Discretionary	Not specified
Total cost of program	5 Points	2.5 Points	0 Points
Refund information	5 Points	2.5 Points	0 Points
Transferability of credits	5 Points	2.5 Points	0 Points
Length of program	5 Points	2.5 Points	0 Points

Explanation:

Iowa law requires that every person, firm, association, or corporation maintaining or conducting in Iowa any educational course by classroom instruction or by correspondence or by other delivery method, or soliciting in Iowa the sale of such course, shall file with the college student aid commission a copy of any catalog, prospectus, brochure, or other advertising material intended for distribution in Iowa. Such material shall state the cost of the educational course offered, the schedule of tuition refunds for portions of the educational course not completed, and if no refunds are to be paid, the material shall so state. (Iowa Code §§ 714.18; 261B.9; 714.25.)

V. REGULATION OF RECRUITING PRACTICES:

50/100 POINTS

**A. HAS THE STATE PUT INTO LAW A LIST OF PROHIBITED ACTS
REGARDING ADVERTISING AND RECRUITING?**

50/100

Yes, strong regulation	Yes, moderate regulation	Yes, weak regulation	No list of prohibited acts
100 Points	75 Points	50 Points	0 Points

PROHIBITED ACTS

Included in list of prohibited acts	
Misleading representations using the word “college” or “university”	
Misleading institution affiliations (re: military, public institution, businesses)	
Promise of employment	X
Compensation for enrollment	
Compensation or “bounty” to recruiters	
Deception (broad prohibition)	X
Misrepresentation (broad prohibition)	X
Misleading representations re: accreditation	

1-3=Weak; 3.5-6=Moderate; 6.5-8=Strong

Explanation:

Prohibited acts can be found at Iowa Code § 714.16; Iowa Code § 714.17.

VI. COMPLAINT PROCESS AND RELIEF FOR STUDENTS:

65.5/100 POINTS

A. DOES THE STATE REQUIRE A BOND OR FUND
AS A CONDITION OF AUTHORIZATION?

20/20 POINTS

Yes	No
20 Points	0 Points

Explanation:

Iowa requires every person, firm, association, or corporation maintaining or conducting in Iowa any educational course by classroom instruction or by correspondence or by other delivery method, or soliciting in Iowa the sale of such course, to file with the college student aid commission a continuous corporate surety bond to the state of Iowa in the sum of \$50,000 conditioned on the faithful performance of all contracts and agreements with students made by such person, firm, association, or corporation, or their salespersons; but the aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the sum of the bond. (Iowa Code § 714.18.)

B. DOES THE STATE REQUIRE A REFUND OF TUITION IF A STUDENT
ENROLLS AS THE RESULT OF MISREPRESENTATION?

10/20 POINTS

Yes, full refund	Yes, partial refund	No refund required
20 Points	10 Points	0 Points

Explanation:

Iowa does not explicitly require a full refund of tuition if a student enrolls as a result of misrepresentation.

However, the state requires a proprietary institution with at least one program of more than 4 months in length that leads to a recognized educational credential to refund, generally, 90% of tuition charged, multiplied by the ration of the period for which the student was charged that he or she did not complete, as compared to the total length of that period. This policy applies to all students at such a school who withdraw, regardless of the reason. This would include a student withdrawing because he or she had enrolled as a result of misrepresentation. (Iowa Code §714.23.) Thus, Iowa receives partial credit here. Note that Iowa officials report that there are more student-friendly tuition refund formulas for students that must withdraw due to exceptional circumstances, and for students that withdraw from schools with high default rates in the federal Stafford loan program.

C. DOES THE STATE REQUIRE INSTITUTIONS TO REFUND TUITION IN THE EVENT OF CLOSURE?

15/20 POINTS

Yes, full refund	Yes, partial refund	Yes, refund in limited circumstances	No refund required
20 Points	15 Points	10 Points	0 Points

Explanation:

Iowa does not explicitly require a full refund of tuition in the event of closure. However, the state requires a proprietary institution with at least one program of more than 4 months in length that leads to a recognized educational credential to refund, generally, 90% of tuition charged, multiplied by the ration of the period for which the student was charged that he or she did not complete, as compared to the total length of that period. This policy applies to all students at such a school who withdraw, regardless of the reason; this would include students who have to discontinue attendance due to closure of the school. (Iowa Code §714.23.) Again, Iowa receives partial credit here.

D. DOES THE STATE ALLOW STUDENTS AMPLE TIME TO MAKE A COMPLAINT?

10/10 POINTS

2 years or more (or no deadline)	1-2 years	Under 1 year	Not applicable
10 Points	5 Points	1 Point	0 Points

Explanation:

Iowa law and regulation do not specify a timeframe for students wishing to file a complaint.

E. DOES THE STATE REQUIRE INSTITUTIONS TO DISCLOSE INFORMATION ABOUT FILING A COMPLAINT WITH THE STATE OVERSIGHT BODY?

7.5/20 POINTS

Medium	Yes	Discretionary	No
Catalog	10 Points	5 Points	0 Points
Website	5 Points	2.5 Points	0 Points
Enrollment contract	5 Points	2.5 Points	0 Points

Explanation:

Iowa Code §261B.7 requires schools to disclose that the school is registered by the Commission on behalf of the state of Iowa and provide the Commission’s contact information for students who wish to inquire about the school or file a complaint. It does not, however, specify where this information is to be disclosed. Therefore, it is up to the discretion of the school to determine where this information is made available. The two most common places for schools to disclose this information are the school catalog and/or the school website. Therefore, Iowa receives partial credit for catalog and website inclusion.

F. IS THE COMPLAINT PROCESS READILY ACCESSIBLE AND AVAILABLE ON THE STATE OVERSIGHT BODY WEBSITE?

3/10 POINTS

Yes, with address	Yes, with phone #	Yes, with email address	Yes, with electronic form	No
2 Points	2 Points	3 Points	3 Points	0 Points

Explanation:

The Iowa Student Aid Commission maintains a webpage with a form for student complaints. There are no other easily available methods or contacts related specifically to student complaints beyond the web-based form.

VII. ENFORCEMENT: 20/100 POINTS

A. IS THERE LOSS OF STATE AID FOR SCHOOLS THAT REPEATEDLY PRODUCE SUBSTANDARD GRADUATION RATES, JOB PLACEMENT RATES, AND/OR COHORT DEFAULT RATES?

0/30 POINTS

Yes, required	Yes, required but limited	Yes, discretionary	Yes, discretionary but limited	No
30 Points	20 Points	15 Points	5 Points	0 Points

Explanation:

Iowa law does not provide that schools that repeatedly produce substandard graduation rates, job placement rates, and/or cohort default rates will lose state aid as a result of poor performance in any or all of these areas.

B. DOES STATE LAW EXPLICITLY AUTHORIZE A PRIVATE RIGHT OF ACTION FOR STUDENTS AGAINST INSTITUTIONS THAT HAVE VIOLATED THE LAWS AND REGULATIONS IN PLACE TO GOVERN THEM?

0/30 POINTS

Yes	Limited circumstances	No
30 Points	15 Points	0 Points

Explanation:

Iowa law does not explicitly authorize a private right of action for students against institutions that have violated the laws and regulations in place to govern them.

C. DOES STATE LAW EXPLICITLY ALLOW ATTORNEY FEE AWARDS FOR STUDENTS WHO PREVAIL IN LITIGATION AGAINST PRIVATE FOR-PROFIT POSTSECONDARY INSTITUTIONS?

0/20 POINTS

Yes	Limited	No
20 Points	15 Points	0 Points

Explanation:

Iowa law does not explicitly allow attorney fee awards for students who prevail in litigation against private for-profit postsecondary institutions.

D. DOES STATE LAW EXPLICITLY AUTHORIZE ATTORNEY GENERAL INVOLVEMENT?

20/20 POINTS

Yes	Limited circumstances	No
20 Points	10 Points	0 Points

Explanation:

The state authorizes Attorney General involvement. (Iowa Code § 261B.12; § 714.16.)

BONUS POINTS:

Iowa does not receive any bonus points.



ILLUMINATING INFORMATION



RECOPROCITY AGREEMENTS

Iowa is a part of the State Authorization Reciprocity Agreements (SARA).

LITIGATION, INVESTIGATIONS, AND ACTIONS INVOLVING PRIVATE FOR-PROFIT EDUCATIONAL INSTITUTIONS IN IOWA

For information about pending and recent federal and state government investigations and actions regarding for-profit colleges see David Halperin's compilation at <http://www.republicreport.org/2014/law-enforcement-for-profit-colleges/#sthash.1vc4HmPw.dpuf>.